Annual Report of the

FEDERAL SECURITY AGENCY

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1951

Social Security Administration

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FEDERAL SECURITY AGENCY

OSCAR R. EWING, *Administrator*

SOCIAL SECURITY ADMINISTRATION

ARTHUR J. ALTMEYER, *Commissioner*
WILLIAM L. MITCHELL, *Deputy Commissioner*

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Bureau of Public Assistance
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JOSEPH E. MCELVAIN, *Chairman*

Letter of Transmittal

FEDERAL SECURITY AGENCY,
SOCIAL SECURITY ADMINISTRATION,
Washington, D. C., October 30, 1951.

The Honorable OSCAR R. EWING,
Federal Security Administrator.

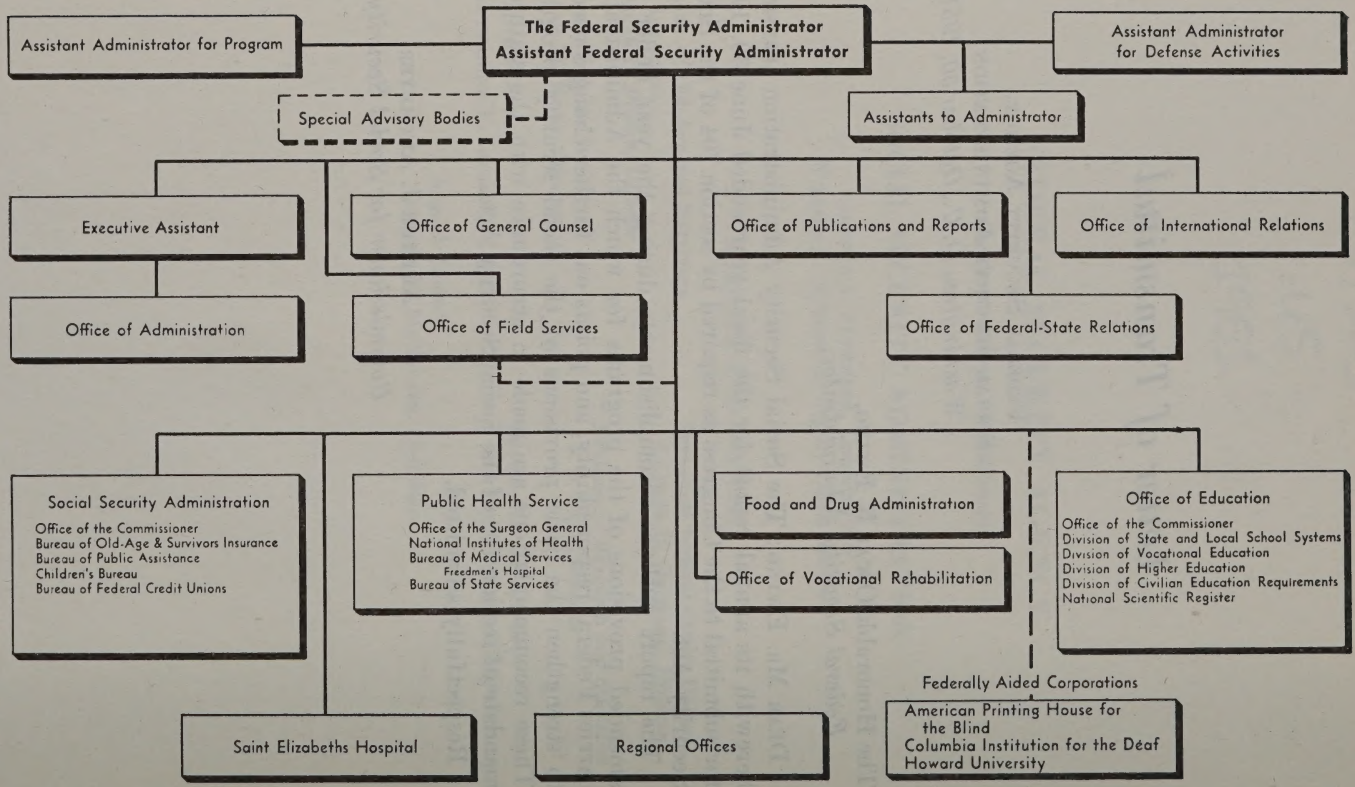
DEAR MR. EWING: The Social Security Administration transmits herewith its annual report for the fiscal year ended June 30, 1951, for submittal to the Congress as required by section 704 of the Social Security Act.

The report outlines accomplishments during the year under the amended provisions of the programs for which the Administration carries Federal responsibility, and points out further changes needed to strengthen the basic provisions of the social security program. These recommendations are made in accordance with the statutory mandate of section 702 of the Social Security Act.

Respectfully submitted.

ARTHUR J. ALTMEYER,
Commissioner for Social Security.

FEDERAL SECURITY AGENCY



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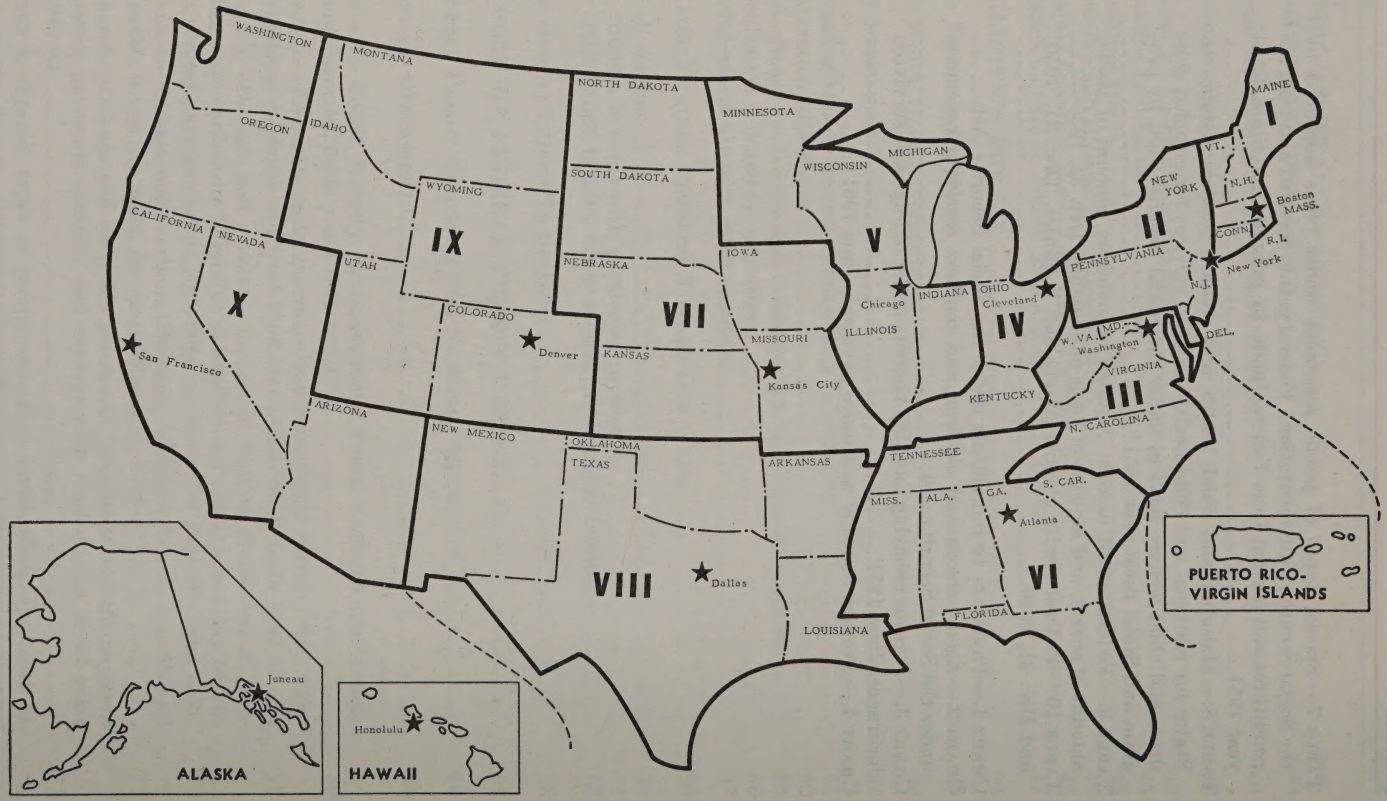
REGIONAL OFFICES OF THE FEDERAL SECURITY AGENCY



Social Security Administration

Social Security Progress and Problems

BROAD PUBLIC support of the social security program was demonstrated in the fiscal year 1951 by the overwhelming vote in Congress for the 1950 Social Security Act Amendments, which received Presidential approval August 28, 1950. The amendments represent a major advance toward the long-time goals in social security—reliance on social insurance as the primary income-maintenance program, a strengthened public assistance program to meet need, and increased Federal support for maternal and child health, crippled children, and child welfare programs.

The 1950 Amendments

PROGRAM CHANGES

In extending the coverage of the old-age and survivors insurance system and liberalizing its eligibility and benefit provisions, Congress reaffirmed the principle established in the Social Security Act of 1935 that a contributory system of social insurance with benefits related to earnings and paid as a matter of right shall constitute the basic method of preventing dependency. As of January 1, 1951, about 8 million workers became newly covered under old-age and survivors insurance on a compulsory basis; another 2½ million workers had coverage open to them on an optional basis. The first group included about 5 million self-employed individuals other than farm operators and members of specified professions, about 1 million domestic workers,

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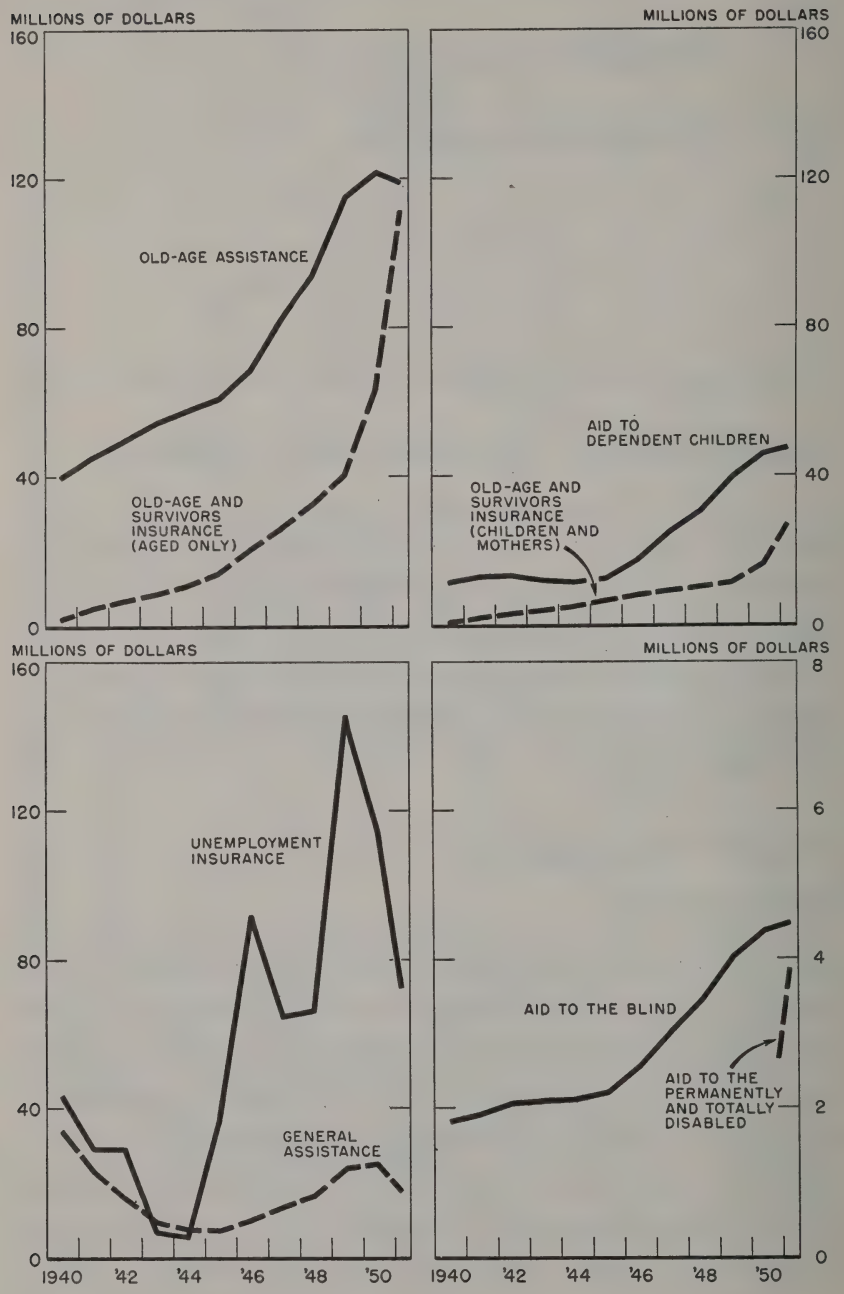
Chart 1.—PAYMENTS TO INDIVIDUALS UNDER THE SOCIAL SECURITY ACT



more than half a million regularly employed farm wage workers and two-thirds of a million Federal employees not under the civil service retirement system. The second group, which may be covered through voluntary arrangements, consisted of somewhat less than a million employees of nonprofit organizations and about 1½ million State and local government workers lacking a retirement system of their own. By June 1951, agreements had been signed with 10 States and two interstate instrumentalities, and about 31,000 nonprofit organizations. Almost 700,000 employees of these nonprofit organizations had elected coverage.

At the close of the fiscal year, old-age and survivors insurance covered about 77 percent of the Nation's civilian workers. Another 9 percent were under the separate retirement systems of the Federal Government, State and local governments, and the railroad industry.

The contribution schedule in the amended old-age and survivors insurance program is intended to keep the system self-supporting through employee and employer contributions. The specific authorization to make appropriations from general revenues, if required, was deleted. Effective January 1, 1951, the maximum annual wage for tax and benefit purposes was increased from $3,000 to $3,600, in recognition, to a limited degree, of the principle that the tax base should be increased as wage levels rise. As of September 1950, payments to beneficiaries already on the rolls were increased by about 75 percent on the average; benefits were made payable to additional types of beneficiaries; eligibility conditions were liberalized, allowing many more aged person to qualify for benefits; and the ceiling on monthly earnings in covered employment without loss of benefits was raised from $14.99 to $50 and eliminated for beneficiaries at age 75.

Broader protection against need was effected through adding to the public assistance provisions a program for aid to the permanently and totally disabled. As of June 1951, such programs had been approved and were operating in 30 States. Other changes enabling the States to meet need more nearly adequately or more flexibly included provision for Federal matching of payments to the needy parent or other relative with whom the dependent child is living, of payments to needy persons who are patients in public medical institutions other than institutions for the tuberculous or the mentally ill, and of payments made by State agencies to suppliers of medical care in behalf of public assistance recipients.

Recognition of the Nation's concern with the welfare of the people living in our island possessions was reflected in the extension to Puerto Rico and the Virgin Islands of old-age and survivors insurance and of Federal aid for four types of public assistance. The three maternal

and child health and child welfare programs had been extended to Puerto Rico in 1940 and to the Virgin Islands in 1947.

Authorizations for grants to the States for maternal and child health, crippled children, and child welfare services were increased from $22 million to $41.5 million, with corresponding increases in the flat amounts available to each State. The basis for allotment of the balance in the child welfare grant was changed from total rural population to rural population under 18 years of age. Authorization was provided to use child welfare service funds to pay the cost of returning runaway children under age 16. Cooperation between public and voluntary child welfare agencies was emphasized by the provision that the experience and facilities of voluntary agencies be utilized in the development of public child welfare services.

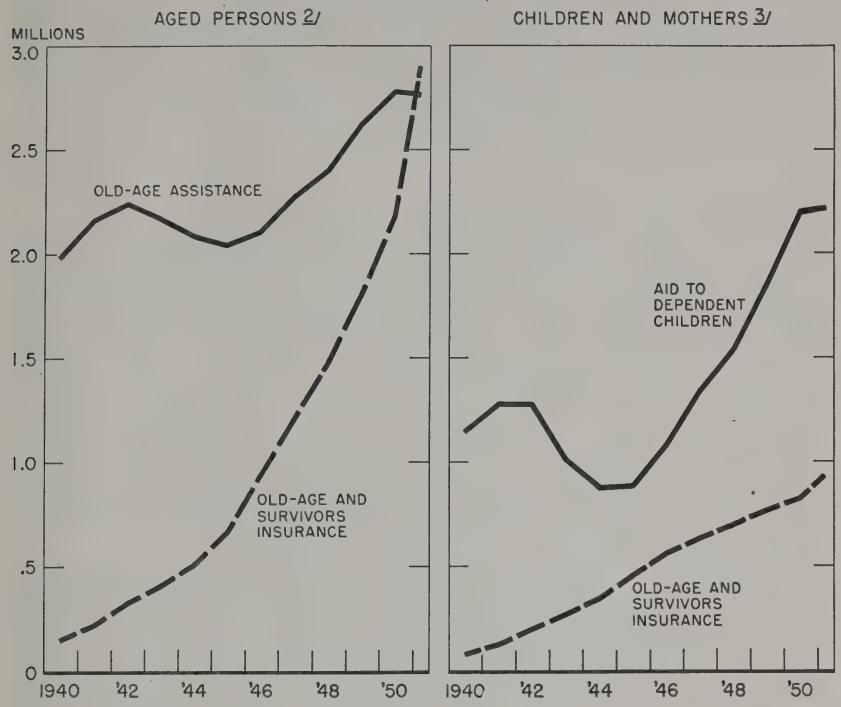
PROGRAM RELATIONSHIPS

One of the immediate effects of the amendments was a shift in the relative size of the two programs providing income to aged persons. By February 1951, more aged persons were on the old-age and survivors insurance rolls than were receiving old-age assistance. This development took place 5 months after the liberalized eligibility and benefit conditions, provided under the revised insurance program, went into effect. By June there were 112 aged persons receiving old-age and survivors insurance for every 100 on old-age assistance.

Another consequence of the amendments was a reduction in assistance expenditures as a result of increased expenditures for old-age and survivors insurance. In September 1950, 279,000 aged recipients and 32,000 aid to dependent children families were receiving assistance to supplement their old-age and survivors insurance benefits because their basic needs exceeded their benefits and other income and resources. In addition to this number, 95,000 aged recipients and 3,700 families who were on the assistance rolls in September 1950 became eligible, for the first time, for insurance benefits under the liberalized eligibility provisions of the insurance program. In most instances the benefits for those newly eligible were relatively low because they were based on substantially lower average monthly wages than were the benefits of those who were insured under the former provisions.

Most of the recipients in these two groups required continued assistance, but in smaller amounts. However, State public assistance agencies were able to discontinue assistance by June 1951 to 44,000 aged recipients and 6,900 families receiving aid to dependent children. The total reduction in assistance payments was roughly $7 million a month. Additional savings, not reflected in these figures, have undoubtedly resulted from the increase in benefits and in coverage of the insurance program, which made it possible for a larger proportion of new beneficiaries to get along without applying for public assistance.

Chart 2.—AGED PERSONS AND CHILDREN AND MOTHERS RECEIVING PAYMENTS UNDER THE SOCIAL SECURITY ACT [1]



[1] Average monthly number, by years. For old-age and survivors insurance, 1940 data represent beneficiaries at end of December.

[2] For old-age and survivors insurance, represents all beneficiaries aged 65 and over receiving old-age, wife's or husband's, widow's or widower's, or parent's benefits.

[3] For old-age and survivors insurance, represents sum of child and widowed mother beneficiaries; after August 1950, includes about 25,000 wives under age 65 with child beneficiaries in their care. For aid to dependent children, represents children plus 1 adult per family when an adult or adults are included in assistance group.

About a fourth of the State public assistance agencies used the savings in payments to the insurance beneficiaries, and the additional Federal money authorized under the public assistance amendments, to bring assistance payments to all recipients more nearly in line with living costs. Moreover, some agencies were able to rescind or reduce previous cuts in payments necessitated by inadequate State appropriations; other agencies increased their allowance for food or some other requirement for which the amount in the assistance budget had lagged behind rising costs.

Administrative Highlights

PUTTING THE NEW PROGRAM TO WORK

One of the major concerns of the Commissioner and the program bureaus and other parts of the Social Security Administration was to

see that the new provisions went into effect as rapidly and effectively as possible. Recognizing the additional administrative load entailed by the amendments, Congress appropriated money for additional staff in the Bureau of Old-Age and Survivors Insurance and a few additional positions in the Bureau of Public Assistance. In June 1951 the staff of the Social Security Administration totaled 14,821 persons, 6,012 in the departmental and 8,809 in the field, area, and regional offices.

Through advance planning and the use of a variety of management techniques the Bureau of Old-Age and Survivors Insurance was able to swing into action as soon as the amended provisions became law in August. The more than 3 million beneficiaries on the rolls were notified immediately of the increase in benefits and received their September checks, recomputed to the higher amounts, without delay. A claims load that was twice, and at its peak four times, the volume received in 1950 was handled promptly and with only a small increase in personnel. Special effort also was made to acquaint the public in general, and especially the potential beneficiaries, with the new coverage, eligibility, and benefit provisions of the act.

Administrative activities in the Bureau of Public Assistance were focused on developing policy statements to interpret the amendments and on assisting the State agencies to adapt their programs to the new provisions. These changes were discussed with State administrators at a conference in Washington in September 1950 and at regional meetings held during the year. Primary emphasis centered on the amendments which went into effect October 1, particularly the new grant-in-aid program for the permanently and totally disabled, the extension of the assistance programs to Puerto Rico and the Virgin Islands, and Federal participation in payments to vendors of medical care. Planning also went ahead to ensure smooth operation of the amendments that will go into effect at a later date.

To help the States plan effectively for the expansion of maternal and child health and child welfare services contemplated by the amendments, the Children's Bureau held regional conferences with representatives of State health and welfare departments and voluntary agencies. Community planning and citizen responsibility for children's services were emphasized at each conference. The regional meetings were followed by a conference with representatives of national voluntary organizations in the child welfare field. A policy manual for the use of Federal child welfare service funds was issued in April 1951.

Operations of the Bureau of Federal Credit Unions during the year were focused on making the Bureau more nearly self-supporting without impairing its essential services to Federal credit unions. This

aim was accomplished both by increasing the examination fees paid by the Federal credit unions and by continuing attention to management improvement projects. The productivity of Bureau staff was greater than ever before. In addition, as a means of saving staff time, the Bureau utilized and trained volunteers to assist in much of the work involved in organizing new Federal credit unions.

DEFENSE ACTIVITIES

Developments growing out of the Korean war involved the Social Security Administration in new responsibilities. Technical assistance was given the Federal Civil Defense Administration in developing basic policies for emergency welfare services in the event of enemy attack. Staff members of the Social Security Administration served on advisory and technical committees of other Federal agencies in planning programs to assist States and communities in providing post-disaster services to families and children. At the request of the Atomic Energy Commission, surveys were made of the need for health and welfare services, including day care for children, in communities affected by the building of the Paducah and Savannah River atomic energy plants. Under the general authority given the Federal Security Agency by the National Production Authority to act as a "claimant agency" for determining civilian needs in the health, welfare, and educational fields, the Administration reviewed and recommended approval of requests by public and private welfare agencies for critical materials needed for the construction and maintenance of essential facilities.

The statistical data from the old-age and survivors insurance wage records were used to supply answers useful in planning certain phases of the defense production and wage stabilization programs. Tabulations of business establishment, employment, and payroll data were made, for the most part on a reimbursable basis, for the National Production Authority, the Defense Production Administration, the Council of Economic Advisors, the Wage Stabilization Board, and the Economic Cooperation Administration.

To protect the old-age and survivors insurance wage records, which form the basis for insurance benefits, against possible enemy destruction, plans were developed to store microfilm copies in a secondary records repository.

CONFERENCES ON CHILDREN AND THE AGING

The two fastest growing segments of the population in the past decade have been the very young and the old, with consequent strains on community resources for meeting the needs of these two groups. The White House Conference on Children and Youth and the na-

tional Conference on Aging, both held in 1950, offered noteworthy opportunities to take stock at midcentury of the Nation's progress in dealing effectively with the resultant problems. The Social Security Administration participated actively in the planning and management of both conferences.

The findings of the Conference on Aging, held in Washington in August at the call of the Federal Security Administrator, stressed the common need for recognition, affection, economic security, and good health which the aging share with other age classes in the population, and the undesirable consequences of premature retirement, neglect, and social isolation. Following the conference, the Federal Security Administrator established a Committee on Aging and Geriatrics, on which the Social Security Administration is represented, to define and develop, in cooperation with other Federal departments, the role of Government in helping to attack the problem on all fronts.

The Midcentury White House Conference on Children and Youth, which met in December 1950, was a landmark in the development of citizen interest and participation in planning for the children of the Nation. Nearly 6,000 persons attended the meetings, including some 250 observers from other countries.

The conference was the occasion for a noteworthy marshalling of knowledge around the central theme, how to develop in children the mental, emotional, and spiritual qualities essential to individual happiness and to responsible citizenship, and the nature of the physical, economic, and social conditions necessary to this development. It produced in its recommendations a far-reaching program for furthering the healthy personality development of children and youth and for improving the conditions of life affecting them.

The response of the country to the conference was shown by the continuing activities of State and local committees in action programs built around conference recommendations. In May 1951 the National Midcentury Committee for Children and Youth was established to promote widespread understanding of the conference findings and their application to family life and community programs, and to encourage research in the development of children and youth.

INTERNATIONAL ACTIVITIES IN SOCIAL WELFARE

The Social Security Administration participated, during 1951, in a variety of international activities, including the exchange programs for trainees and experts under United Nations or United States auspices, technical missions to foreign countries, meetings of the United Nations and its specialized agencies and related organizations, and international technical studies. More than a thousand visitors re-

ceived technical services from the Administration's program bureaus and staff offices. Under the expanded exchange programs, arrangements were made for program observation and professional education in social services, social insurance, and maternal and child health and welfare. Study grants for trainees from underdeveloped areas were awarded under the Point Four program sponsored cooperatively by the Department of State and various Federal agencies. Within these broad fields there has been growing interest in community organization, rural social welfare, and specialized services in child care. State and local public agencies, private social welfare agencies, and schools of social work cooperated actively with the Administration, making possible full utilization of the country's training resources for the visitors.

Labor teams visiting this country under the auspices of the Economic Cooperation Administration were oriented to the United States social security and social welfare programs. Staff members of the Social Security Administration participated in orientation programs arranged for foreign visitors by the American Council on Education.

At the end of the year, 14 technical assistance projects had been authorized, providing social welfare and child health specialists to 10 countries in Latin America and 4 in the Middle East and South Asia. Projects undertaken during the year included consultation in putting new social welfare legislation into operation, assistance in establishing social welfare training programs and centers, and aid in the development of maternal and child health services. In the Middle East, help was being given in training staff to administer new social security and rural development programs. Special interest in training for social work and in development of child health and welfare services continued to expand in Latin America. Private social welfare organizations assisted in recruiting experts for these missions and, in some instances, participated directly in carrying out the social welfare project.

Officials of the Administration participated as United States representatives and experts at meetings held during the year by the Social Commission of the United Nations, the United Nations International Children's Emergency Fund, the International Labor Organization, the Inter-American Conference on Social Security, and the American International Institute for the Protection of Children. The Social Commission established for the first time international principles to guide governments in developing specialized training facilities for social welfare. The Commission also initiated an active program to stimulate the establishment of local community welfare centers as a basis for self-help projects directed towards raising standards of living and improving local conditions. The International Labor Organ-

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ization for the first time drafted an international convention in the field of social security, including minimum standards designed to meet the variety in programs and stages of development found in the many countries now providing social security to their peoples. The United Nations International Children's Emergency Fund increasingly emphasized long-range values of its program, and projects were developed to strengthen permanent health and welfare services for children.

Staff members continued to serve on interdepartmental committees recommending social policy for these international organizations. Technical material was prepared for use by United States delegations and for international studies sponsored by United Nations organizations and inter-American agencies.

Mobilizing Human Resources

In the present national emergency, which may continue for a long period, national defense has, of course, the first claim on our productive resources. Yet, in mobilizing the Nation's resources to safeguard our democratic institutions, it would be short-sighted to think in terms of military and industrial mobilization only, or assume that there is a basic conflict between military necessity and our social objectives. Only as the full capacity of each individual is conserved and developed can the productive capacity and strength of the Nation be fully realized.

In his Economic Report to Congress in January 1951 the President, noting that some of the hazards which social security is designed to guard against are increased by the mobilization effort, declared that an increase in the protection afforded against the hazards would make the mobilization effort more effective. The President's State of the Union message called attention to the need to continue and complete the work of rounding out our social insurance system. Existing protection against the risks of unemployment, old age, and death of the family earner needs improvement; insurance protection has still to be provided against the loss of earnings through disability and against the cost of expensive medical services. In his Budget message, the President spoke of the need for programs that would maintain and develop our national strength over the long run. Despite the improvements made by the 1950 amendments, he said, our social security program still does not measure up to the full needs or aspirations of the American people, nor has it achieved the scope of protection that our economy can afford and should give.

THREAT OF INFLATION

Perhaps the most immediate threat in 1950–51 to the security of social insurance beneficiaries and public assistance recipients was the

rising price level. Inflation is a threat of course to the standard of living of the entire population; but it is potentially most destructive of the standard for persons who must live on fixed incomes. Continued inflation would undermine the progress made in 1950 toward greater adequacy of benefits in old-age and survivors insurance. The 75 percent increase effected in September 1950 in the average benefit did nothing more than restore the benefit to the purchasing power it had in 1940. Between September 1950 and June 1951, however, retail prices of goods and services as measured by the Consumer Price Index of the Department of Labor rose another 6 percent.

Continued inflation also creates a serious problem for public assistance recipients. Revisions in public assistance payments to bring the monetary value placed on requirements into conformity with price changes generally lag behind such changes and result in severe deprivation when prices are moving upward at a rapid rate.

Many of the recommendations made in succeeding sections of this report are concerned with changes in existing programs to meet the threat to continued adequacy of payments. These and other proposals for improving the programs make no change in the basic structure of the present social security program, which is sound. There are, on the other hand, still two major economic risks against which our social insurance program offers little or no protection.

LACK OF DISABILITY INSURANCE

One of the major gaps in our social insurance defenses is the lack of protection against the wage loss due to disability. Except during periods of widespread unemployment, disability represents the most common cause of interrupted income in the lives of wage and salary earners. Recent data indicate that about 5 in every 100 persons in the population 14 to 64 years of age are temporarily or permanently disabled on an average day. This ratio, as might be expected, is higher in the upper than in the lower age brackets, rising to 10 per 100 in the age group 55 to 64 years. About 60 percent of the individuals between 14 and 64 years of age found disabled on an average day have already been disabled for 7 months or longer, the duration of disability increasing with age. Perhaps three out of four persons with disabilities lasting 7 months or longer had at one time been in the labor force, and presumably all or nearly all had withdrawn from the labor force because of their disability.

Not all the wage loss attributable to disability goes uncompensated. Some is recovered through benefits administered by mutual benefit associations, unions, employer agencies, and the like, or paid by commercial insurance companies; some is covered by sick leave plans in industry and government. The new program of aid to the perma-

nently and totally disabled has recently become a resource to needy incapacitated earners who can qualify for this type of assistance. The protection against disability offered by social insurance programs in the United States is limited to particular types of disability, particular employments, or particular geographic areas.

Work-connected disability is generally provided for through workmen's compensation. In 1950 about $350 million was paid out in cash benefits, and about $200 million in medical services, for temporary or permanent disability arising out of employment. Available information indicates that disability of work-connected origin accounts for only about 5 percent of the total volume of disability.

The programs operated by the Railroad Retirement Board include benefits for both temporary and permanent disability. During an average 2-week registration period in June 1951, some 24,000 railroad workers were receiving sickness or maternity cash benefits. In the same month, about 80,000 former railroad workers were receiving retirement benefits because of disability; almost half were past the age of 65. The Federal Government and many State and local governments make provision for retiring disabled workers who meet certain service requirements. In June 1951, there were 46,000 former Government workers drawing disability benefits under the Federal civil service program.

Social insurance covers temporary disability for most workers in industry and commerce in only four States—California, New Jersey, New York, and Rhode Island. These programs were paying benefits to about 100,000 persons in an average week in June 1951.

The service-connected disabilities of veterans are compensable under the law, as are the other disabilities of veterans who meet certain income tests. In June 1951 some 2.4 million veterans were drawing disability benefits. Most of them were only partially disabled and were either working or attending school while drawing their benefits.

The absence of a general disability insurance system is reflected in the relatively large number of disabled individuals on the public assistance rolls. In June 1951, some 104,000 persons were receiving aid to the permanently and totally disabled. Recipients of aid to the blind numbered 97,000. The families of approximately 150,000 incapacitated men were receiving aid to dependent children. Some needy disabled individuals and their dependents, unable to qualify for aid under these three special programs, were on the general assistance rolls. In recent years from one-fifth to one-third of all new general assistance cases, the proportion varying inversely with fluctuations in the level of unemployment, have been opened because of the illness or disablement of the family earner. In June 1951 about 333,000 cases were receiving general assistance.

ECONOMIC BARRIERS TO GOOD MEDICAL CARE

Another major deficiency in our social security program is the absence of public provision for meeting medical care costs on an insurance basis. The cost of medical care constitutes a major and common threat to the family budget and as such has an essential place in social security. Few persons can know in advance how large their medical bills will be and therefore how much to budget for them. Many cannot budget the costs of even moderately expensive illness. Since we do, however, know what the cost of all illnesses will be for the population as a whole, it is possible to compute the average cost for each person or family. By assuring the availability of an equivalent amount in advance for its members, a group or a community or a nation can make sure that the money will be on hand to pay medical care costs as they arise and that the burden will not fall unduly on any family. This is the essence of insurance—in the Churchill phrase, to bring "the magic of averages to the rescue of the millions"—and is as applicable to the costs of medical care as it is to income loss due to old age, unemployment, or disability.

The growth of prepaid medical care plans is striking evidence of the appeal of the insurance approach to meeting medical bills. Helpful as such plans have proved to many of their members, they have serious limitations. Like the voluntary retirement pension arrangements in effect prior to the Social Security Act, they are restricted in coverage and in the completeness of the protection offered. Coverage is thinnest in rural areas, among families with low income, and for those who are not members of large employment or other groups. Hospitalization insurance is the most frequent protection provided, but less than half the people in the country have such insurance, while plans offering protection against the full range of needed medical care reach only about 2 percent. Voluntary insurance plans are no substitute for national health insurance operated as part of a comprehensive social insurance program. All voluntary medical care insurance, nonprofit and commercial, provided protection against only about 12 percent of private expenditures for medical care in 1950.

Voluntary insurance plans cover only a small fraction of the aged and other beneficiaries of the old-age and survivors insurance system. Therefore consideration should be given to proposals for providing hospitalization insurance to such beneficiaries and to other aged persons who are fully insured under the system but have not retired from the labor force. Such persons, who numbered 5½ million in June 1951 and might be expected to total 7 million in 1953, especially require hospital care insurance because of their generally low income, their inability to use most hospitalization insurance plans, and their higher-than-average hospital needs because of age.

A plan providing up to 60 days of semiprivate care a year per person, with payments to hospitals on a full-cost basis, could be financed under the present old-age and survivors insurance system without increase in the scheduled contribution rates.

Summary of Recommendations

The 1950 amendments represent a significant advance toward the goal of social security in a democracy—to provide a firm base on which every individual can build a good life for himself and his family while contributing, to the extent of his ability, to the Nation's productive capacity and strength. In pointing out in this and following sections of the report the need for further revisions, the Social Security Administration affirms its belief that, so long as large groups of the population and major economic risks remain uninsured, the program falls short of the protection our economy can afford and should give. The Administration therefore presents the following major recommendations.

Our first objective in the field of income maintenance remains *a comprehensive, basic national system of contributory social insurance.* Such a system would assure continuing income to families whose earnings are interrupted by unemployment, sickness, disability, retirement, or death of the principal earner. It would insure families against the costs of good modern medical care, which are unpredictable in the individual case.

We possess in our old-age and survivors insurance and unemployment insurance programs basic protection against the risks of retirement, death, and unemployment. This protection in the case of old-age and survivors insurance needs to be strengthened by *extending coverage to all gainful workers*, to bring the benefits of the program to persons lacking such protection now, to avoid the losses in protection suffered by persons who move between covered and noncovered employment, and to reduce future public assistance costs. Adjustments are needed in the benefit formula to make it more responsive to increases in wages and prices. Benefits to present beneficiaries should be increased to meet at least the recent rise in living costs.

To close the gaps in our social insurance program, we need *social insurance to cover income loss in periods of sickness and disability* and *social insurance to cover the costs of medical care.* Existing provisions against these two risks are grossly incomplete in coverage, and they can never give the full measure of protection possible under a national system.

To meet the residual and special needs that cannot be covered by social insurance we should further *strengthen the public assistance*

program by providing, among other improvements, for Federal grants to the States for general assistance, more equitable distribution of Federal funds to the States in relation to their fiscal ability and public assistance needs, increased Federal funds to meet more nearly adequately the costs of medical care for public assistance recipients, and Federal sharing in the costs of adult and family welfare services for those who need and wish such services, regardless of their financial need.

To increase our knowledge and understanding of the needs of children we need an *expanded program of research in child life.* To make our increasing knowledge available to children in all parts of the country we need appropriation of the full amounts authorized for grants to States in present legislation to permit *expansion of health and welfare services for children.*

The Bureau of Federal Credit Unions should be put on a more nearly self-supporting basis through amendments to the Federal Credit Union Act increasing the amount Federal credit unions now pay toward the costs of supervision.

Old-Age and Survivors Insurance

At the end of June 1951 the old-age and survivors insurance program was midway in its fifteenth year of operation. During the fiscal year, $1.5 billion, paid in benefits, helped to give older people security in retirement and provided the means to keep bereaved families together and to help care for children.

The Significance of the Program

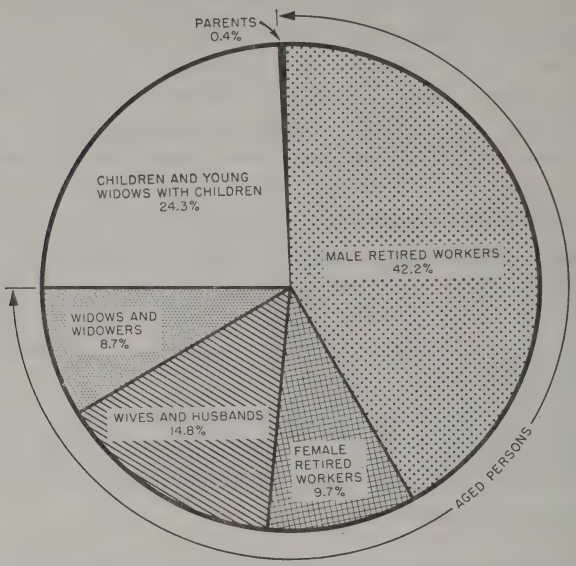
BENEFICIARIES AND BENEFIT AMOUNTS

In June of 1951 about 4 million people were receiving benefits under the program. Of these, about 3 million were aged 65 or over. Two million of them were retired workers, and another million were the wives and dependent husbands of retired workers and the widows, dependent widowers, and dependent parents of workers who had died. Of the remaining million, 200,000 were young widows and 800,000 were children. (See chart 3.)

The benefits paid to these people, while moderate, were of great significance to the beneficiaries. The average insurance benefit paid to a retired worker with no dependents receiving benefits was $40.90 in June. Where the worker and his wife both received benefits, the average for the family was $70.40. Families made up of a widowed mother and two children averaged $91.50.

For most of the people who will come on the benefit rolls when the

Chart 3.—PERSONS RECEIVING MONTHLY BENEFITS UNDER OLD-AGE AND SURVIVORS INSURANCE, JUNE 1951



Percent for wives and husbands includes about 25,000 wives under age 65 with child beneficiaries in their care.

1950 amendments are fully effective, the insurance benefits will be higher than those payable to people now on the rolls. Benefits awarded in the fiscal year 1953 to a retired worker and his wife under the new benefit formula may average about $95 a month, as compared with the present average of about $70, and $60 to a retired worker with no dependents, as compared with $41.

ECONOMIC STATUS OF BENEFICIARIES

According to studies made by the Bureau of Old-Age and Survivors Insurance, benefits constituted the major part of the family's income for most insurance beneficiaries. The latest study, made in Philadelphia and Baltimore in 1949, showed that one-third of the married couples receiving benefits had no other permanent income, and only about 1 in 5 had other permanent income amounting to as much as $600 during the year. ("Permanent income" includes a year's old-age and survivors insurance benefits, retirement pay from former employers, veterans pensions, private annuities, and income from investments.) Without the insurance benefits, only 1 couple in 8 would have had as much as $75 a month in retirement income; only 1 in 12 would have had as much as $100. With their benefits, probably half of these married couples now have an assured income of $75 a month, and more than one-fourth probably have $100.

Two-thirds of the families of widows and children included in the survey had no permanent income other than their benefits. Among the widows who did not work but stayed home to care for the children, only 1 in every 10 families would have had $75 a month or more without their benefits. With the benefits, 6 in every 10 families probably now have as much as $75 a month. Thus, old-age and survivors insurance was extremely important in the lives of most of the beneficiaries studied, as it is for thousands of other beneficiary families throughout the United States.

THE PROTECTION PROVIDED

In June 1951, about 12.7 million people in the United States were 65 or over. About 3.9 million, or somewhat less than one-third, were working or were the wives of men who were working. Of the remaining 8.8 million, about one-third were getting old-age and survivors insurance benefits.

In the same month there were about 2 million paternal orphans under 18 years and about 800,000 unremarried widows caring for young children. Of these 2.8 million widows and orphans, about half a million were working. Of the remaining 2.3 million, 900,000, or about 40 percent, were receiving old-age and survivors insurance. In addition, monthly benefits were being paid to 70,000 children of old-age beneficiaries.

Thus it appears that at the end of the fiscal year old-age and survivors insurance was meeting, or helping to meet, the problem of income maintenance for about one-third of the old people, and close to one-half of the widows and orphans, who could not count on earned income for support.

Of the population under 65 years, 57 million were insured under the program at the beginning of the calendar year 1951. Eighteen million of these fifty-seven million people were permanently insured—that is, whether or not they continue to work in covered employment they are assured of the right to benefits when they attain age 65 and their families are assured of protection in the event of their death. An additional 39 million were also insured, but would have to continue working in covered employment and contributing to the program for an additional period to make their insured status permanent. In terms of survivor insurance protection, these figures mean that three out of four of the mothers and young children in the Nation were assured that they would receive monthly benefits if the father or working mother of the family died.

By January 1951, some 83 million people still living had worked in covered employment and contributed to the program at one time or

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another during the first 14 years of its existence. Almost three out of every four had insurance protection, and for many of them the protection was permanent.

COVERAGE

It is expected that, during the calendar year 1951, 60 million people will make contributions toward their insurance protection. The program now covers about 77 percent of the Nation's paid civilian jobs. An additional 9 percent are covered by other public retirement systems—civil service, railroad, and State and local employee retirement systems. Only about 14 percent of the Nation's paid workers—most of them farmers, self-employed professional people, or farm or household workers who are not regularly employed by a single employer—have no coverage under any public retirement program.

CONTRIBUTIONS AND DISBURSEMENTS

Benefit payments during the fiscal year amounted to $1,498 million; with administrative expenses of $70 million, the total outgo amounted to $1,568 million. Contributions amounted to $3,120 million, payments from the general funds of the Treasury to meet the cost of benefits attributable to World War II service were $4 million, and interest payments on the investments of the old-age and survivors insurance trust fund were $287 million, bringing the total income to $3,411 million. The difference of $1,843 million between income and outgo represents the increase in the trust fund during the year. At the end of June 1951, the fund totaled $14.7 billion held and invested for the benefit of the contributors to the program.

On June 30, all assets of the fund, except $400 million held in cash to meet current withdrawals, were invested in United States Government securities as required by law; $2.2 billion was invested in marketable Government bonds (identical with similar bonds owned by nongovernmental investors), and $12.1 billion was invested in special certificates of indebtedness issued directly to the trust fund. The special certificates of indebtedness bear interest at the average rate on the total interest-bearing Federal debt at the time they are issued. The average interest rate on all investments of the trust fund at the end of the year was about 2.2 percent.

Administering the Program

The proper and efficient administration of the law is an essential ingredient in the provision of income security. Most of the beneficiaries depend on their insurance benefits for the necessities of life; in many instances they have no other income, or income too small to live on. They must be able to count on receiving their benefits promptly and regularly.

PLANNING FOR THE EXPANDED PROGRAM

With the passage of the amendments it was essential to get the increased benefits promptly to the more than 3 million beneficiaries on the rolls and to the nearly 700,000 people, previously unable to qualify for benefits, who were now expected to apply for and receive benefits. While the new coverage provisions were not effective until the beginning of 1951, immediate preparation was necessary to ensure smooth operation, so that the newly covered persons would be assured of the maximum possible protection under the program.

Advance planning, therefore, was carried as far as possible before the amendments were passed. Though the specific content of legislative provisions and the amounts of supplemental appropriations that might be made could not be anticipated, it was possible to forecast the general scope of the legislation and to make a number of important administrative decisions.

The Bureau staff was increased only enough to meet long-term workload increases; the expensive procedure of hiring temporary employees to process a series of peak loads was avoided. Employees were shifted from one operation to another as peak loads occurred, and a great deal of overtime was used. An extensive public information program was planned to ensure that the public in general, and especially the potential beneficiaries, would understand their rights, benefits, and responsibilities.

THE IMPACT OF THE 1950 AMENDMENTS

The first task was to increase benefits to the new amounts in time to meet the mailing schedule of October 3, 1950, for the September benefit checks. Immediately after the amendments became law, postcards were sent to about 3 million beneficiaries informing them of the date when they would receive checks in the higher amounts. This was done to acquaint the beneficiaries with what they might expect under the new law; it also prevented the field and area offices from being swamped with inquiries.

About 70 percent of the job of increasing the benefits was done mechanically, using tabulating equipment. The rest, which required examination of beneficiary case folders, was accomplished by a combined manual and mechanical operation. With the cooperation of the Disbursing Offices of the Treasury Department, all checks were in the mails by October 3, just 36 days after the law was signed.

Meanwhile, because of the liberalization of eligibility requirements, the claims load began to increase. Before the amendments the Bureau was receiving and processing about 250,000 claims each quarter. After the new provisions were adopted this figure doubled; for short periods,

moreover, the Bureau received and processed a claims load four times as heavy as the previous load.

To supplement the public information program, the field office staffs examined claims record cards to locate persons who could now qualify with six quarters of coverage. Lists of the potential claimants were compiled and letters were sent to them immediately after the amendments became law. This action was intended to reduce to a minimum the loss of benefits resulting from the failure of an individual to understand that the amendments might have made him eligible for benefits.

As a result of the rapid growth in number of claims filed, the average time for processing a claim, from filing of the application to certification for payment, increased by January 1951 to 54 calendar days. But by June it had been reduced to about 27 calendar days—very close to the average in prior periods.

The registration of newly covered employees and employers began to gain momentum in December and remained at a high level through the rest of the fiscal year. Employer registrations increased by more than 150 percent over those in the fiscal year 1950; about 80 percent more employee accounts were established.

Planning administration of the new coverage was more complex. Forms and procedures for the use of nonprofit organizations, for example, had to be developed well ahead of January 1, 1951. A great many questions of interpretation of the law had to be settled so that policies could be determined and operating instructions and procedures issued. The States had to receive the information they needed to frame legislation that would meet the requirements of the Federal law governing agreements for coverage of State and local government employees. An informational booklet with a tear-off coupon to register household employers was prepared and widely distributed and a quarterly envelope-type tax return form was developed in cooperation with the Bureau of Internal Revenue to simplify tax and wage reporting for the housewife. Information on necessary procedures and definitions of rights and obligations was disseminated to farm people with the cooperation of the Department of Agriculture.

For the first quarter in which the new coverage was effective (January–March 1951), reports had been received in the Bureau by August 31 from 543,000 employers of household workers who reported the wages of their employees on the simplified envelope tax return (Form 942), and an additional number had been received from employers who reported their household employees with their business employees on the regular Form 941. The general excellence of the returns made by housewives on the special simplified form was particularly gratifying, since this group probably had the least acquaintance with

reporting procedures. For the same quarter, 118,000 employers had reported wages for agricultural workers by July 27.

As of the end of June, 31,200 nonprofit organizations had qualified for coverage by filing certificates waiving exemption of taxes under the Federal Insurance Contributions Act; about 700,000 employees of these organizations had elected coverage. Agreements covering public employees had been signed with 10 States—Arizona, Arkansas, California, Idaho, Kentucky, Nebraska, Oklahoma, Utah, West Virginia, and Wisconsin. In addition, two agreements had been signed by interstate instrumentalities—the Atlantic States Marine Fisheries Commission and the Interstate Oil Compact Commission. Eleven more States had agreements in process; nine other States and Territories had passed enabling legislation.

ADMINISTRATIVE COSTS AND GENERAL MANAGEMENT

The rise in the Bureau's composite workload was roughly 47 percent during the year, while the number of man-hours worked, including overtime, increased only 20 percent. The cost incurred by the Federal Security Agency in administering the program was about $55 million, as compared with $43 million in the preceding fiscal year. The figure for 1951 was only about 2.6 times the amount expended in the fiscal year 1941, the first full fiscal year of benefit payments, although the volume of work has tripled and soaring prices have tremendously increased the costs of doing business. Perhaps a better index of improved efficiency is the fact that 47 people now handle the amount of work that required 100 people in 1941.

Behind this achievement in reducing costs is a continuing emphasis on management improvement. To cite an example, the Bureau recently arranged for a survey of its wage record and statistical operations by the National Bureau of Standards to determine the possible application of electronic computing machines to these operations. Although it may be some years before this type of machine can be economically adapted to all the Bureau's recordkeeping needs, the potentials for future savings are enormous. The Bureau is, for example, already using electronic calculators that compute primary insurance benefit amounts—an operation involving addition, subtraction, multiplication, and division—at a speed of 100 a minute.

As a result of a technical change in the law under the 1950 amendments, plans have been made to issue a single monthly check for all the children in a family unit instead of individual checks for each child. The advantages are large. With 800,000 children on the rolls at the end of June, Treasury addressograph plates and checks could be reduced by 300,000; savings to the trust fund in the recertification

operation alone are conservatively figured at $200,000 in the first year. The Treasury Department, the General Accounting Office, the Federal Reserve Board, and the Post Office Department are all interested in this plan because of potential over-all savings.

Of the total administrative cost of the program within the Federal Security Agency, 46.9 percent was spent for developing and adjudicating claims; 10.8 percent for maintaining and adjusting the roll of beneficiaries; 28.6 percent for maintenance of wage records; and 11.1 percent for general administration in the Bureau of Old-Age and Survivors Insurance. The remaining 2.6 percent represents work done in connection with the program by the Appeals Council, the Division of the Actuary, and other units of the Federal Security Agency.

The total administrative cost within the Agency in the fiscal year amounted to 1.8 percent of the contributions received. If the Treasury Department's administrative costs for the insurance program are included, the cost of running the program was about $70 million, or 2.2 percent of the contributions collected.

Monthly benefits were being paid to 4.0 million persons at the end of June 1951 at a monthly rate of $143.7 million. These figures represent increases of 1.1 million in beneficiaries and $83.0 million in monthly amount over the totals for June 1950. The increases resulted chiefly from the liberalization of eligibility provisions and increase in benefit rates. Monthly benefits were awarded in the fiscal year to 1.4 million persons, more than double the previous record high. The increases were greatest for retirement and wife's benefits. Lump-sum death payments totaled 316,600, about 100,000 more than in the preceding year.

The 1950 amendments have placed the Bureau's workloads permanently at a substantially higher level, though there will be some leveling off from the current peak loads. This additional work has aggravated the problem of adequate space for the Bureau, long a pressing one. The major recordkeeping operations are on two shifts because of lack of space for single-shift operation. The Bureau is now operating in six separate buildings in Baltimore; for best results its operations should be under one roof.

Improving the Program

The improvements in the program made by the 1950 amendments have already lightened the load which must be borne by the public assistance programs financed by general taxation. By June 1951, as a direct result of the insurance changes, State assistance agencies had been able to discontinue assistance to 44,000 aged recipients and to

6,900 families receiving aid to dependent children. More important, although not measurable, is the extent to which the insurance program will from now on take over the load which would otherwise have to be borne by the assistance programs.

The intended function of the insurance program is to serve as a primary source of protection against economic insecurity for the American people. In February 1951, for the first time, it began providing benefits to more aged persons in the population than were being aided under old-age assistance. The insurance program can do even more, however, if it is further strengthened and improved.

COVERAGE

Because until 1951 the program covered only employees in commerce and industry, it has not been as effective in rural as in urban areas. For example, among the 12 States having the greatest percentage of population in urban areas, only 57 old people were getting assistance in February 1951 for every 100 getting old-age insurance; in the 12 most rural States, on the other hand, 214 old people were getting assistance for every 100 getting insurance.

The 1950 amendments made a beginning toward providing security for farm people by bringing into the program farm workers who work for a single employer regularly and for a considerable period. But probably only about 10 percent of all the people who earn their living by farm work have been included. The program cannot be really effective in rural areas until more farm people are covered.

Although two of the three national farm organizations requested in 1950 that farm operators be included in the insurance program, Congress believed there was not sufficient evidence that farmers had a strong desire for coverage. Now that farmers are being brought into contact with the program through coverage of their regular employees, they are coming to feel increasingly that they, too, should be included. Coverage would be administered in the same way for farm operators as for self-employed people already covered; no special administrative problems would be involved.

Additional farm workers should also be included in the program, and the present provisions governing the coverage of farm workers should be simplified. To be covered, a farm worker must now first serve a "qualifying quarter"—that is, he must be continuously employed by a single employer during the entire quarter. He is then covered in succeeding quarters if he works for that employer on a full-time basis on 60 days during the quarter and is paid at least $50 for such service. If the law were changed to require only a cash wage test, farm employers could more easily carry out their responsibilities and, of course, many more employees would be covered.

Similarly, the provisions relating to domestic service should be extended and simplified. To be covered under present law, a household worker must work for a single employer on each of 24 days during a calendar quarter and must be paid at least $50 in cash for such service. If the only requirement were a cash wage test, it would be easier for housewives to fulfill their obligations, and more household workers would be covered.

Self-employed professional people were excluded from coverage because Congress was not sure that the majority wanted to be covered. There is indication that interest in coverage among professional groups is increasing and will continue to increase as professional people understand what it would mean to them.

For the groups that are covered under other public retirement programs—such as most Federal workers, members of the Armed Forces, and many employees of State and local governments—the problem is a different one. The worker who moves from job to job will lose part or all of his retirement protection. In a dynamic economy, though, the movement of workers is inevitable. Some indication of its extent is given by figures relating to the railroad retirement program. While average railroad employment in 1949 was around 1.4 million, about 8½ million people have worked in railroad employment since 1936. Some three-fourths of these 8½ million have also worked in jobs covered by old-age and survivors insurance.

While this shifting from job to job is to a considerable extent desirable, it has disadvantages from a standpoint of social insurance protection. The employee who changes jobs may fail to remain in any single retirement system long enough to acquire benefit rights or he may qualify for more than one benefit and, if he does, the total of benefits paid may in some cases be excessive. To ensure that the protection offered by retirement programs is real and that desirable labor mobility is not discouraged, arrangements should be made for coordinating old-age and survivors insurance and the protection furnished under the various public retirement plans.

Since the passage of the 1950 amendments, the groups covered by other public retirement systems have shown a great deal of interest in old-age and survivors insurance. In some instances this interest has taken the form of proposals for certain improvements in the other systems to make them comparable with old-age and survivors insurance. Other interested groups have proposed that they be covered under old-age and survivors insurance and that the special retirement systems be placed on a supplementary basis. The latter is the most economical and feasible method of providing adequate protection.

The most immediate need for extending the protection of old-age and survivors insurance is in the field of military service. Our Armed Forces have more than doubled during the past year and a half, with the prospect that many more people will enter military service in the future. The great majority of them will acquire no lasting protection under the service retirement programs; many will lose some or all of the protection they had acquired under old-age and survivors insurance. The 1950 amendments provide credit for service in the Armed Forces between September 1940 and July 1947 only. To restore the protection that many servicemen have already lost, immediate provision should be made for granting retroactive old-age and survivors insurance credit for service from the end of World War II to the present. The long-term need to maintain the protection of servicemen should be met on a more systematic and permanent basis by bringing servicemen under the coverage of the program.

Employees of State and local governments who are not under retirement systems may now be covered by old-age and survivors insurance through agreements between the Federal Government and the States. Many employees who are under retirement systems also want to be covered under the Federal system, and at least one retirement system has been abolished so that the employees may obtain old-age and survivors insurance coverage. The law should be changed to permit employees of State and local governments to be covered under the insurance program whether or not they perform services in positions covered by retirement systems. If the members of the systems believe special provisions are necessary to safeguard their interests, a provision should be included in the Federal law that coverage not be extended unless a referendum shows that employees favor such coverage.

The 1950 amendments provided for the coverage of employees of religious, charitable, educational, and other nonprofit organizations at the option of the organization and two-thirds of its employees. Preliminary estimates indicate that as many as 80 percent of the eligible employees are already covered under these provisions. Nevertheless, many employees of nonprofit organizations who need and want coverage may not be able to obtain it because the employer decides against it or because employees who see no immediate personal advantage are opposed. The situation should be carefully studied, and if experience indicates that there will continue to be many people in nonprofit employment without retirement protection the law should be changed to provide protection for all the employees.

Further extension of coverage will of course make the program more effective in the long run, and will help to keep the assistance

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burden from growing in the future. Extension of coverage will not help, though, so far as the present assistance load is concerned. This fact has led to proposals to work out some sort of arrangement for paying benefits under the insurance program to all the present aged.

The effect of such a proposal in reducing old-age assistance expenditures depends, of course, on the size of the benefit provided. But it should be kept in mind that in all probability there would still be a considerable number of aged persons who would need supplementary assistance.

If any such proposal is adopted, the cost of the resulting noncontributory benefits should be met out of general taxation rather than from the contributions of covered workers and their employers. To keep the cost of payment of benefits to noncontributors within bounds, it is absolutely essential that any plan to bring in the present aged be accompanied by extension of coverage under the insurance system to all gainful employment. If this is done, those retiring in the future would have eligibility based on contributions, and the need to pay benefits to noncontributors would be confined largely to the present aged. Only with universal coverage could a plan for bringing in the present aged be considered as a transitional device that would not substantially increase the long-run cost of the system or threaten the contributory principle upon which the insurance program is founded.

BENEFITS

Another way to increase the program's effectiveness is by making it more responsive to increases in wages and prices. If benefit amounts fail to adjust promptly to these factors, more people dependent on benefits will become needy, and increased supplementation of benefits by assistance will be necessary.

Under the present provisions, benefits are based on an average monthly wage computed over the worker's entire working lifetime after 1950. (For persons who were covered before the 1950 amendments, the period may in certain circumstances begin with 1937.) This means that low earnings in the early years of a working lifetime reduce the benefit amount. Moreover, the long-run trend of wages is upward. Benefits could be related to rising wage levels and to the wages that had determined the worker's standard of living before his retirement if the average monthly wage were computed over the 5 or 10 consecutive years of highest earnings.

The present average monthly wage, though, has another function. Because it is computed over the entire working lifetime, it is reduced if the worker spends time outside covered employment; it therefore reflects the proportion of his working lifetime during which he contributed to the program. If a change is made so that the average

monthly wage is computed over 5 or 10 years, other provision is necessary so that higher benefits will be paid to those who have spent a greater proportion of their lives in covered employment.

In addition to reflecting the proportion of the individual's working lifetime that he spends in covered employment, the benefit should also reflect the number of years he spent under the program. Under present law, a man now aged 60 will get the same benefit amount after contributing for only 5 years as a man now aged 40 who has the same average earnings and has contributed for 25 years. Before the 1950 amendments, the basic benefit amount was increased by 1 percent for every year the individual spent in covered employment. The Social Security Administration urges that this 1-percent increment be restored to the benefit formula so that the long-term contributor will get some return for his extra contribution.

Even if these changes are made, benefit amounts will not keep pace with rising wages unless the maximum on wages that may be credited toward benefits is raised. This limit was increased in 1950 from $3,000 a year to $3,600, but the $3,600 ceiling is not high enough to take account of increases in wage rates in the past 12 years. In 1939, when the $3,000 limit was established, only 5 percent of all year-round workers earned more than $3,000. In 1950, 22 percent earned more than $3,600. As wages go up, the percentage of workers who cannot have all their wages counted toward benefits will of course increase, and benefit amounts will not reflect the rise in wages. A higher maximum is therefore needed and should be established.

Similarly, as wages go up, the portion of the average wage to which the first part of the benefit formula is applied should be increased. Under the new formula the benefit is equal to 50 percent of the first $100 of the average monthly wage plus 15 percent of the remainder. This formula expresses the intent of Congress to replace a larger percentage of wages for low wage workers than for those with high wages. However, as wage rates rise, the concept of what constitutes "low" wages also changes. Unless the amount to which the 50 percent part of the formula applies is increased as wages rise, the intent to replace a larger proportion of low wages will not be effectively carried out.

The changes suggested in the benefit formula will not, of course, help the situation of people who have been drawing benefits for some time. It is essential that benefits awarded in the past, as well as those currently awarded, be kept in line with current wage and price levels. Despite the 1950 benefit increases, further increases are already necessary because of rising wages and prices, and the Social Security Administration recommends an immediate increase in benefit amounts for both present and future beneficiaries.

Finally, as wages go up, the amount which beneficiaries may earn and still get benefits should be increased. The amount should be large enough so that the beneficiaries may supplement their benefits by engaging in part-time work; as wages increase, the amount of wages which can be earned by part-time work also increases. Such earnings, of course, should not be so large that beneficiaries could continue to work at regular full-time jobs and still get benefits. The benefits paid under the program are not intended as an annuity payable at age 65 merely because the worker reaches that age, but are intended rather to assure a regular income to him and his family when he retires. If benefits were paid to every insured person at age 65, regardless of retirement, it would be considerably more expensive to supply adequate benefits.

The 1950 amendments made an exception to this rule by permitting persons 75 and over to receive benefits irrespective of retirement. As a result of this change, the program may be thought of as one that provides retirement benefits between age 65 and 75, and annuity payments thereafter. A program of this kind is of particular value to self-employed persons who reduce their activity with advancing age but continue to do substantial work until death. If additional self-employed people are covered under the program, Congress may wish to consider whether the age at which the test of retirement is suspended—in other words, the age at which an annuity, rather than a retirement benefit, is payable—should be 70 rather than 75.

Further consideration should also be given to the question of permitting women to qualify for benefits at age 60. Wives are usually a few years younger than their husbands, and it cannot reasonably be expected that when a man retires at 65 his wife will be able to get a job to supplement his retirement income. Similarly, a woman widowed at age 60, or an aged dependent mother, may have a very difficult time getting a job if she has not previously worked. If wives, widows, and dependent mothers are permitted to receive benefits at age 60, consideration should be given to lowering the retirement age for women workers, also.

HOSPITALIZATION INSURANCE

To the extent that the insurance program is able to respond quickly to increases in wages and standards of living, the benefit amounts will be more nearly adequate to meet the ordinary needs of the beneficiaries. However, a good many beneficiaries have heavy expenses—such as for needed hospital care—that the benefits cannot be expected to cover. It would not be practicable to increase payments to all beneficiaries sufficiently to cover hospital expenses, since not all of them have such expenses and the amount of such expenses varies greatly among those who do incur them.

A recent survey of old-age and survivors insurance beneficiaries in two large cities showed that only 1 out of 12 aged couples who had obtained hospital care had any form of hospitalization insurance. Most beneficiaries are not members of groups to which such insurance is available, and because of their age they unquestionably have higher-than-average hospital needs.

The need for insuring beneficiaries against hospital costs can be met through old-age and survivors insurance. The Administration recommends that the program provide hospitalization insurance for insured workers over 65 (whether or not retired) and their dependents and for survivor beneficiaries. The initial annual expenditure for the proposed benefits is estimated to be less than two-tenths of 1 percent of taxable payrolls; it could be expected to rise to about three-tenths of 1 percent 10 to 20 years later.

INSURANCE AGAINST DISABILITY

The improvements so far recommended would enable the insurance program to do a bigger part of the job of providing income for workers who retire after age 65 and for the families of workers who have died. But what about workers forced into premature retirement by disability?

According to surveys conducted jointly by the Census Bureau, the Bureau of Old-Age and Survivors Insurance, the Office of Vocational Rehabilitation, and the Public Health Service in 1949 and 1950, more than 4 percent of the civilian population between the ages of 14 and 64—not counting persons in mental, tuberculosis, and other hospitals—are unable, on an average day of the year, to go about their regular pursuits because they are disabled. About 2 percent have been disabled for 7 months or more. In round figures, that amounts to 2 million cases of prolonged disability. Moreover, the number of disabled people is increasing and will continue to increase as proportionately more of the population is in the older ages.

The approach to the problem of disability must be twofold. It is essential to rehabilitate and return to productive employment as many disabled workers as possible, and it is essential to provide income for those who cannot be rehabilitated, as well as temporarily for those who can eventually return to work.

Many people incapacitated for work by injury or illness are in danger of becoming permanently and totally disabled. Many could be saved from lifelong invalidity, however, by early efforts at rehabilitation to restore them to gainful employment. A program of disability insurance should make rehabilitation services available to all those in danger of suffering permanent and total disability. Moreover, during rehabilitation, such a program should provide cash benefits to support the disabled persons and their families. With

a program of this type as many disabled people as possible would be rehabilitated. It would expand rehabilitation facilities, now severely limited, and it would promote the training and employment of additional expert personnel, since rehabilitation services would be paid for from insurance contributions. Most important of all, it would help the disabled to make the most of their innate drive to overcome their handicaps and regain their independence.

If a program of this kind were adopted, the number of people rehabilitated each year could be raised considerably above the present 60,000. Nevertheless, with our limited knowledge and facilities, we must expect a much larger number of cases to be found incapable of rehabilitation. For these individuals an insurance program of income maintenance during disability must be provided if they are not to become a burden on their relatives or have to turn to public assistance.

Such a program should also contain provisions to preserve the retirement and survivor insurance protection of disabled workers. Under the present insurance program, a disabled worker not only must get along without benefits until age 65, but even then he may not get adequate benefits because his period of disability will have substantially reduced his benefit amount or may have entirely wiped out his right to benefits. Similarly, if he dies prematurely his family may be left with inadequate benefits or none at all.

The provision of Federal grants for public assistance—particularly the new program of aid to the permanently and totally disabled—now helps the States bear the burden of supporting the needy disabled. But useful as these grants are, they are not a substitute for an insurance program. The disabled person and his family can be helped through assistance only after their financial resources are nearly exhausted. Through an insurance program, society can plan in advance to meet the problem of disability in an orderly and systematic way and to protect the economic resources of the family.

Temporary disability, lasting only a few weeks or months, is of course less catastrophic than prolonged disability, but it occurs much more frequently and affects more people. In the absence of Federal legislation to provide insurance against temporary disability, only four States have programs providing cash benefits for temporary disability. If the development of such disability programs is left entirely to the States, it may be many years before most of them establish adequate plans. In order to provide protection against temporary illness for as many people as possible at the earliest possible time, the Administration recommends a Nation-wide program of temporary disability insurance appropriately related to permanent and

total disability insurance, old-age and survivors insurance, and unemployment insurance.

FINANCING THE PROGRAM

The schedule of contributions provided in the 1950 amendments was designed to make the system self-supporting on the basis of an estimated level premium cost of 6.05 percent of covered payrolls. Moreover, this schedule of contributions allows for a continual liberalization of benefits as wage levels rise. Because of the nature of the weighted benefit formula in old-age and survivors insurance, benefit amounts, expressed as a percent of a worker's average wage, decline as his average wage increases. Similarly, for the program as a whole, benefit costs, measured as a percent of payroll, drop as wage levels rise. Consequently, both congressional committees that considered the 1950 amendments recognized that the scheduled contribution rates allowed for additional benefit increases if wages rose above the level (1947) used in the cost estimates on which the contribution schedule was based.[1] Average wages in covered employment have now increased 20 to 25 percent above the 1947 level. It is therefore possible, without changing the contribution schedule or the self-supporting basis of the system, to provide for many of the increases in the benefit level and scope of the program proposed in the preceding pages, both for those now on the rolls and for future beneficiaries.

Public Assistance

The 1950 amendments to the Social Security Act represent a significant forward step in defining the role of public assistance in the social security program. In expanding coverage and liberalizing benefits under old-age and survivors insurance, Congress made clear its belief that social insurance should carry the Nation's major income-maintenance burden and that public assistance should meet the needs not covered or inadequately covered by the insurance program. And by extending the scope of Federal participation in the public assistance program to include groups not formerly aided, Congress made it possible for this program to come closer to meeting its objectives.

The changes in the public assistance provisions resulted in far-reaching and substantial improvements. In addition to several program changes, coverage was expanded by broadening Federal financial participation in the following ways:

A new title was added to the Social Security Act which provides grants-in-aid to the States for assistance to needy persons who are permanently and totally disabled because of physical or mental handicaps.

[1] S. Rept. 1669, 81st Cong., 2d sess., p. 34, and H. Rept. 1300, 81st Cong., 1st sess., p. 33.

Public assistance grants were made for the first time to Puerto Rico and the Virgin Islands.

In aid to dependent children, Federal participation was made available not only in payments for the support of children but also in assistance (up to $27 a month) to the needy parent or other relative with whom the dependent child is living.

Federal participation was extended to payments made by State public assistance agencies to needy persons who are patients in a public medical institution, but excluding patients in mental or tuberculosis hospitals and patients in public medical institutions because of a diagnosis of mental disease or tuberculosis. (After July 1, 1952, no Federal participation will be available in payments made to persons in a private medical institution because of tuberculosis or a psychosis.)

Program Developments

IMPLEMENTING THE 1950 AMENDMENTS

Activities of the Bureau of Public Assistance during the fiscal year 1951 were concentrated on interpreting the amendments, developing policies, and assisting States to adapt their programs to these changes. Preliminary policy statements were prepared on all amendments effective October 1, 1950, for the immediate use of State agencies. In September, State public assistance administrators and other State staff met with the Bureau to discuss proposed policies and standards related to the amendments. Regional staff activity was directed to developmental work with State agencies on necessary State legislation and policy, supported by consultation from the departmental staff.

The nature of several amendments necessitated close collaboration with other constituent units of the Federal Security Agency, national private organizations, and professional groups in developing policy materials and planning for similar working relationships at State and local levels. For example, an interagency advisory committee, including representatives of the various Agency programs concerned with medical care, provided technical guidance in the development of policy for the medical care aspects of the amendments. The Office of Vocational Rehabilitation, the Public Health Service, and the Children's Bureau, as well as such national voluntary agencies as the National Social Welfare Assembly, the American Public Welfare Association, the National Legal Aid Association, and numerous other groups, worked closely with the Bureau on problems of mutual interest. Representatives of State and local public assistance agencies gave generously of their time in working through problems of policy and practice. A clinic on methods of group teaching was also held in Washington in May 1951, attended by representatives from 23 States, to discuss methods that would be useful to State agencies in training workers and helping them understand the new content involved in the amendments.

By the end of June 1951 the number of States which submitted new plans for operating under the amendments was as follows: 32 for the new category of aid to the permanently and totally disabled, all but 2 for including the needy adult relative in aid to dependent children, 8 to permit payments to vendors of medical service, 34 for payments to patients in medical institutions, and 18 pertaining to exemption of $50 earned monthly income in aid to the blind. The amendments also contain a provision, effective to June 30, 1955, that permits Federal approval of a State plan for aid to the blind, even though it does not require consideration of the blind individual's income and resources in determining his need, if it meets all other requirements for approval. However, Federal funds will be available only for cases in which income and other resources have been considered. Pennsylvania submitted a plan under this temporary provision, and Missouri and Alaska passed laws enabling them to submit such plans.

The following discussion of several of the amendments will illustrate the nature of the planning and other work undertaken by the Bureau and State agencies in getting them into operation.

Aid to the permanently and totally disabled.—To qualify without delay for Federal funds for aid to the permanently and totally disabled, which became effective October 1, many States established programs under existing laws or made plans to request their legislatures for necessary legal authority and appropriations to do so. Alabama was the first State to have its plan approved. By December, 16 other States were operating programs or had submitted plans. As of the end of June, 30 States were administering programs with Federal participation in payments, and 2 others had submitted plans.

Assistance under this program is not limited to persons who are completely and permanently helpless but may include those who are now largely helpless but might be rehabilitated to some extent. Both the Bureau and the State agencies recognized that the agencies would need to obtain competent medical and social work staff and to develop working relationships with other agencies that provide medical and rehabilitative services. It was also clear that the determination of permanent and total disability must be based on a medical diagnosis and that the extent of the resulting disability must be evaluated in the light of the social factors in the individual case. The Office of Vocational Rehabilitation helped to develop tentative policy materials for use by State public assistance agencies in preparing State plans for the program and in laying the groundwork for constructive cooperation between State public assistance and vocational rehabilitation agencies.

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The majority of the States adopted a definition of permanent and total disability which permits a finding of eligibility when the individual's permanent impairment, disease, or loss is sufficiently severe to prevent him from engaging in a useful occupation, including homemaking. A few other States limit the definition to "complete helplessness," usually defined as "dependent in whole or in part on the services of others for some of the activities essential to daily living." A special study of the characteristics of individuals who became beneficiaries under the program was conducted simultaneously in all States operating approved plans in June 1951 to obtain data that might be helpful in future planning for meeting the needs of the disabled.

Operations under the new program have encouraged closer relationships among State assistance, rehabilitation, and health agencies. States have already indicated with enthusiasm that the advantages of the "team approach" in administering this program should be extended, when appropriate, to other assistance programs. Cooperative working relationships have made rehabilitation services available to persons who heretofore have not been aware of, or referred for, such service.

Payments for medical care.—Federal participation in the cost of medical care for needy individuals had previously been limited to such costs as could be included in the money payment to the individual but were not in excess of the statutory maximum amount set in each assistance program. Thus the recipient could pay for his medical service out of his assistance grant, but payments made by the agency on behalf of recipients to doctors, hospitals, and other suppliers of medical care were not subject to Federal financial participation, even though the total payments were within the statutory maximum.

Although the amendment, effective October 1, 1950, provided Federal participation in State payments to those who provide medical care for public assistance recipients, it did not change the maximum limitation on Federal participation in the individual assistance payment. The amendment does not create a medical care program, but it does offer States the option of providing for medical care needs of individuals in the money payments to recipients or paying for medical care through other methods, within the Federal matching maximums.

Tentative standard-setting materials were prepared to help State agencies develop the medical care item as part of the State's standard, and to plan for other changes resulting from this amendment. State agencies have developed definitions of medical care that vary considerably, reflecting differences in State laws, medical facilities, and available funds. Some States have been able to include only medical

care to meet acute emergencies; others have defined the program more broadly.

State agencies have identified the medical services people may obtain from existing sources, the needs for medical care that are still not met, and the part of the unmet need that can be included in the State's definition of medical care. Experience under this amendment, although limited in scope, will help point the way to further developments in provisions of needed medical care to low-income groups.

Notice to law-enforcement officials.—The problem of desertion and abandonment and its impact on aid to dependent children received considerable congressional consideration during the past year. The resulting amendment, effective July 1, 1952, requires that instances of desertion or abandonment of children by a parent be brought to the attention of the proper law-enforcement officials when eligibility for aid to dependent children is established and aid furnished.

To prepare for administering this amendment, which emphasizes the responsibility of State agencies for developing relationships with law-enforcement officials, an advisory group of State staff and representatives of related agencies, professions, and other interested groups met in Chicago in November and again in June to consider the respective responsibilities of public assistance and law-enforcement agencies.

Extension of public assistance to Puerto Rico and the Virgin Islands.—The problems normally encountered in setting up new programs were intensified in launching the public assistance programs in Puerto Rico and the Virgin Islands, because of the distance from the mainland and the difference in the background experience of the islands from that of the States.

Directors of the two insular public assistance agencies attended the State administrators' conference held in Washington in September, at which time plans were developed for initiating the new programs. Effort was made to adapt successful methods of State operation to the atypical situation in the smaller insular agencies. Bureau staff made several field visits subsequently to Puerto Rico and the Virgin Islands to assist in the organization, procedures, and plans so that Federal funds could be granted as quickly as possible. All plans were approved for the Virgin Islands on December 26, 1950. Plans for old-age assistance, aid to the blind, and aid to dependent children in Puerto Rico were approved on March 30, 1951, and for aid to the permanently and totally disabled, on June 18.

RECIPIENTS AND THEIR PAYMENTS

In June 1951, slightly more than 5 million people were benefiting from federally aided public assistance, and roughly three-fifths of a

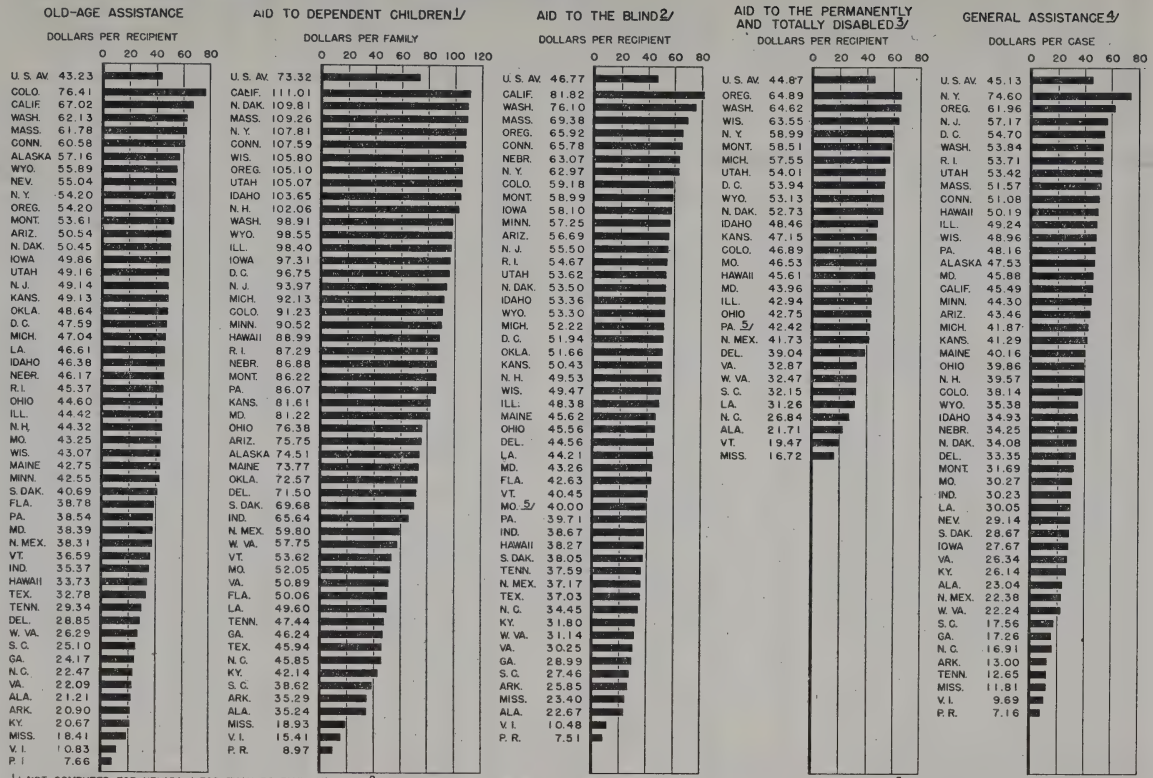
million others were receiving general assistance financed out of State and local funds. These two groups represented about 4 percent of the total population, or about 1 for every 26 persons in the United States. During the fiscal year 1951, the total cost of public assistance payments was $2.4 billion, of which the Federal share amounted to $1.1 billion.

For the first time since 1945, the number of assistance recipients and total costs of public assistance payments declined during the year. About half a million fewer persons were being aided in June 1951 than in June 1950. This number represented about an 8-percent decrease, with the sharpest drop in the general assistance program. The decline in expenditures was not so great as in recipients. In fact, payments per recipient were somewhat higher at the end than at the beginning of the year, partly because of the increased maximums in aid to dependent children and the relatively high payments in the new program of aid to the permanently and totally disabled. The upswing in employment due to defense activity and the liberalization of coverage and benefit provisions in old-age and survivors insurance would have reduced assistance expenditures much more had not certain other factors partially counteracted their effect. The continuing rise in the cost of living, the expanded coverage of the public assistance program, and the continuing growth in population, especially in the age groups under 18 and over 65 years of age, all operated to keep expenditures from dropping further.

Old-age assistance.—The old-age assistance case load rose slowly during the first few months, reaching a peak of 2.8 million recipients in September 1950. By June 1951, the case load had fallen by about 65,000. Payments totaled nearly $1.5 billion for the fiscal year. The national average monthly payment, around $43, remained fairly constant throughout the year.

Nearly half of all persons dependent on public assistance in June 1951 were aged; they accounted for more than half the annual cost of payments under all the programs. In June 1951, about 214 out of each 1,000 aged persons in the country as a whole received old-age assistance. In many States, however, the proportionate number of individuals receiving aid differed widely from the national rate for reasons related in part to State differences in the relative number of aged persons receiving old-age and survivors insurance. The industrial State of New Jersey, for example, aided only 59 per 1,000 aged while Louisiana, with a large number of agricultural workers not covered by the insurance program, had a rate of 671 per 1,000. Seven States gave assistance to less than a tenth of their aged population; eight States aided more than two-fifths. Variations in payment levels are fairly wide, though not as diverse as are recipient rates. In June

Chart 4.—AVERAGE MONTHLY ASSISTANCE PAYMENT, JUNE 1951



1/ NOT COMPUTED FOR NEVADA (LESS THAN 50 FAMILIES). 2/ ALASKA HAS NO PROGRAM; NOT COMPUTED FOR NEVADA (LESS THAN 50 RECIPIENTS). 3/ NOT COMPUTED FOR RHODE ISLAND AND THE VIRGIN ISLANDS (LESS THAN 50 RECIPIENTS). 4/ NOT COMPUTED FOR FLORIDA, TEXAS, AND VERMONT (DATA ESTIMATED) NOR FOR OKLAHOMA (COMPLETE DATA NOT AVAILABLE). 5/ NO FEDERAL PARTICIPATION.

1951, average payments ranged from $76.41 in Colorado to $18.41 in Mississippi and $7.66 in Puerto Rico. (For both Puerto Rico and the Virgin Islands the Federal matching maximums for all programs are lower than for the continental United States.)

Aid to dependent children.—The amendments tended to increase expenditures for aid to dependent children by increasing the maximum payment in which the Federal Government will share and by extending Federal aid to Puerto Rico and the Virgin Islands. In June 1951, 630,000 families with about 1.6 million children received aid to dependent children. In about seven out of eight of these families, the needs of adults were taken into account in determining the amount of the assistance payments. The average payment per family for the month was $73.32. The total cost of payments for the fiscal year was $568 million, about $47 million more than in the preceding year. However, the number of children receiving aid at the end of the fiscal year was approximately 3 percent less than the peak number in August 1950.

At the end of the fiscal year, 33 out of each 1,000 children under 18 years of age, or about 1 child in 30, received aid to dependent children. Among the States, however, the rates varied from less than 20 per 1,000 in 5 States to 75 or more in 2 States. Average payments per family were as low as $18.93 in Mississippi ($8.97 in Puerto Rico) and as high as $111.01 in California.

Aid to the blind.—In June 1951, about 97,000 persons were receiving aid to the blind, at an average payment of about $47 per recipient. Among the States, the averages ranged from $81.82 in California to $22.67 in Alabama ($7.51 in Puerto Rico). Expenditures during the fiscal year totaled $54 million.

A study made to determine the probable effect of the amendment which permits States to exempt $50 a month of earned income in determining need for aid to the blind found that recipients with exemptible income formed less than 6 percent of the total number of blind recipients in September 1950 and that average earnings per worker were roughly $21 per month. Additional blind workers in the general population, however, will become eligible for aid to the blind as a result of the exemption of part or all of their earned incomes.

Aid to the permanently and totally disabled.—Initially, most of the persons receiving aid to the permanently and totally disabled were transferred to that program from the general assistance rolls. So far, average payments under the new program have been larger than those for old-age assistance but not as large as for aid to the blind. In June 1951, for example, the average payment to permanently and totally disabled recipients amounted to $44.87, as compared with $46.77 for aid

to the blind and $43.23 for old-age assistance. The differences probably result from the greater amount of medical care and special services required by the blind and disabled groups. From October 1950 through June 1951, expenditures in the 30 States with approved plans amounted to $33 million.

General assistance.—Expanding employment opportunities and the creation of the new program of aid to the permanently and totally disabled significantly reduced case loads and expenditures for general assistance, which is wholly financed from State or local funds or both. In June 1951 general assistance was being given to 333,000 cases, representing approximately 640,000 individuals. The June case load was 37 percent less than in June 1950 and 49 percent below the March 1950 peak. Payments in the fiscal year totaled $282 million. Fifteen States financed the programs from local funds with no or negligible help from the State treasury.

Administrative Developments

In line with the Bureau's increased emphasis on efficient management and fiscal practices in State public assistance agencies, a new Division of State Administrative and Fiscal Standards was established in September 1950. The Division concentrated on developing fiscal and administrative policies, standards, and procedures in relation to the amendments, to Federal participation in assistance and administrative costs, to procedures to facilitate prompt payment, and to staffing patterns of local agencies. Field consultations were provided State agencies on the use of workload data in preparing appropriation requests for administrative expenditures, installation of a system of classification of public assistance costs, simplifications in the flow of work, organizational structure, disbursement procedures, methods of State-wide financing, and the use of intrastate equalization funds.

Staff of the Bureau assisted in planning and preparing the examinations for Social Worker (Public Welfare Adviser) and Public Welfare Research Analyst held by the Civil Service Commission in November 1950, and in rating the training and experience for the options relating to positions within the Bureau.

The Bureau of Public Assistance and the Children's Bureau participated along with State public assistance agencies in a Nation-wide survey of salaries and education of all social work positions. The survey was made by the Labor Department's Bureau of Labor Statistics, the National Social Welfare Assembly, and the National Council on Social Work Education. The study showed that almost 30,000 of the Nation's 75,000 social workers were employed by State and local public welfare agencies to administer public assistance. The average

yearly salary of public assistance case workers in local welfare departments was $2,569, and that of supervisors, $3,380. Less than a fourth had had some study in graduate schools of social work; about 11 percent had had a year or more of professional training.

The job of administering public assistance involves both determining eligibility and administering welfare services to help people back to self-support when possible or at least to caring for themselves in their own homes rather than in institutions. Skill is necessary in working constructively with people under the stress of financial insecurity that frequently results from a serious misfortune—illness, disability, break-up of family, or death. To help persons in times of need requires more than sympathy and kindliness, if the individual is to be helped to use both his own resources and the community facilities in his return to independence. Although the skill of helping people is one that usually must be acquired through specialized training, at present only 1 in 9 of the 30,000 persons responsible for administering public assistance throughout the country has had a year or more of such specialized training.

The data from this study indicate the need for more provisions for professional training and salaries commensurate with such training, if expenditures for public assistance are to be utilized most effectively.

The Bureau participated in the Administration's international activities, which are discussed in the early pages of this report. The Director of the Bureau continued to serve as Acting Chairman of the Subcommittee on Social Welfare of the Interdepartmental Committee on International Social Policy, which developed policy statements concerning the United Nations social welfare program, community centers, and study programs in family and child welfare.

The Bureau also took an active part in the Administration's responsibilities growing out of the defense effort, discussed briefly in the early pages.

Public Assistance in a Defense Economy

During the year, questions were raised in some areas about the extent to which public assistance is needed in a period of full employment and high income levels. At a time when all governmental expenditures were being carefully scrutinized in the light of the need for heavy defense spending, concern was expressed at the size of the Federal appropriation for public assistance—one of the largest nondefense items in the Federal budget.

Although the public assistance rolls, including general assistance, decreased by half a million persons between June 1950 and June 1951

as the result of increased job opportunities, higher wages, and the strengthening of the old-age and survivors insurance system, large numbers of people remain in need because they are unable to work and are not covered by any insurance system. The 3 percent of the total population receiving public assistance under federally aided programs in June 1951 included about 2¾ million persons aged 65 and over; about 2¼ million recipients of aid to dependent children, including children under 18 and the mother or adult caretaker in the family group; about 100,000 blind individuals; and more than 100,000 persons who were totally and permanently disabled. Relatively few of these individuals are able to take advantage of increased job opportunities. As time goes on, the expanded insurance program can be expected to provide income to meet the basic needs of most old people as well as the children of insured workers who die. But today there are still many older people who have not worked in covered jobs long enough to qualify for insurance benefits, or whose benefits are not sufficient to meet their basic needs.

An important factor contributing to the size of the public assistance rolls has been the above-average rate of growth in the size of the age groups in the population from which most assistance recipients come. In the past 10 years the aged have increased about 2½ times as rapidly as the population as a whole, rising from 9 million in 1940 to more than 12 million in 1950. In the next 25 years the present number is expected to double. The child population has also increased tremendously. While the population as a whole increased 14.5 percent between 1940 and 1950, the number of children under age 18 rose about 17 percent and those under 5 went up 55 percent. Thus, today there are relatively fewer people than in 1940 in the producing age groups to be responsible for the support of the aged and the children.

Many people during their working years have never earned enough to meet their families' current expenses and, in addition, to save enough to provide for their old age. This problem of saving is aggravated by today's inflation. Those who thought they had saved enough to provide for their old age now find that their dollar buys only 60 percent as much as in 1939. With small or fixed incomes and rising prices, many aged persons not eligible for old-age and survivors insurance benefits have had to turn for help to their relatives and, when this was not available, to apply for old-age assistance.

The traditional expectation that members of families will help each other may not have changed, but economic and social conditions have changed so drastically that substantial continuing aid from one member of a family to another is, in most instances, increasingly difficult. Although more than three-fourths of the States have "relatives' re-

sponsibility" laws that require children to support their aged parents, these laws differ widely in their scope, their interpretation, and the extent to which they are enforced. The trend in some States toward less strict requirements of support by relatives reflects the profound social changes that have been evolving as we have become a more industrialized society—the higher cost and rising standard of living, the looser family ties as a result of the smaller family unit with smaller living quarters and the separation of various members of the family in different parts of the country, and the urge of families just getting an economic toehold to attain the higher standard of living common in their communities.

A major factor in the size of the aid to dependent children program has been the substantial increase since the war in both the number of families and children and the number of broken homes due to divorce and separation. Divorce and illegitimacy rose to all-time peaks in 1947. Broken families and those in which the wage earner is disabled or dead do not usually have much opportunity to share in our current prosperity. In 1949, a third of the children living with a mother only were in families with an annual money income of less than $1,000, including the money received from assistance.

The Social Security Act commits the Nation to forestall dependency, insofar as possible, through social insurance, supplemented by public assistance to meet noninsured need. The virtually unanimous congressional vote for the social security amendments in 1950 indicates that this policy has wide public support. However, various suggestions have been made to limit coverage of public assistance in an effort to reduce its cost.

Aid to dependent children is intended to provide necessary economic support and services to enable children deprived of parental support to grow up in a setting of their own family relationships. With the expansion and liberalization of old-age and survivors insurance, many children who had been receiving aid to dependent children and whose fathers have died can now receive insurance benefits. This development left on the assistance rolls many children dependent because of the incapacity or estrangement of their parents. Since the program provides for the basic needs of children, some of whom have been deserted or born out of wedlock, it understandably gets involved in the public criticism of the behavior of parents that brought about the children's needs. Nobody wants children to suffer, yet the children's needs sometimes are made secondary to the desire to censure the parent's behavior, and the value of public assistance in holding the family together is overlooked. Proposed restrictions on the program to make certain children ineligible do not solve the basic prob-

lem, of which dependency is only a manifestation. To deprive a needy child of assistance because of his parent's actions often creates still more serious problems unless another program for care is substituted. In fact, the hidden costs to society might well pyramid in the added burdens of subsequent physical disability, mental breakdown, delinquency, and crime resulting from continuing neglect.

The 1939 amendments to the Social Security Act required safeguards that restrict the use or disclosure of information concerning applicants and recipients to purposes directly connected with the administration of public assistance. This provision was designed to prevent the use of such information for political and commercial purposes and was intended to protect needy recipients from unnecessary humiliation, as well as to facilitate effective administration by protecting information relating to eligibility given the agency in confidence by both applicants and others.

Various individuals and groups have made proposals to publish the names of recipients and the amount of their assistance payments as a means of reducing assistance rolls. The resulting publicity, it is argued, would expose ineligible persons, and the desire to avoid such publicity would encourage those who could work to get jobs and would induce relatives to support needy members of their family. Legislative action was taken in four States in the fiscal year 1951 directed toward making information about assistance recipients public. Florida's law was vetoed by the Governor, the Alabama law was not to be made effective if it was inconsistent with the Social Security Act, and the Illinois law was to be effective only if this provision in the Social Security Act were changed. The Indiana law was made effective in July and Federal funds to the State were discontinued, since the amended law was in conflict with a provision of the Social Security Act necessary for approval of a State plan. The ruling to discontinue Federal funds in this instance was upheld by the United States District Court of the District of Columbia. Legislation enacted by Congress in October 1951 authorized the Federal Security Administrator to certify grants-in-aid to States which have by legislation specified the conditions under which public access may be had to records of the disbursement of funds if such legislation specifies that information so obtained should not be used for political or commercial purposes.

The Bureau and the State public welfare agencies have been giving careful study to the various proposals for reducing the cost of assistance. All suggestions are being evaluated in terms of their probable effectiveness in reducing costs without working undue hardship on needy individuals, or creating additional problems with which the community will have to deal later.

Efforts to keep public assistance costs to a minimum must be part of a broad socially constructive program. In matters of physical health it has long been recognized that, though immediate ills must be treated, the best, and in the long run the least costly, cure is prevention. Public assistance is an essential treatment for the acute ills of want and dependency. At the least, it can prevent the ultimate disaster of destitution for the individual and the community. Public assistance also provides a chance to bring rehabilitation services into play to help families achieve self-support. But the program alone cannot solve many of the problems that make it necessary for people to seek public assistance. To reduce the causes of dependency, we need not only a comprehensive social insurance program and other necessary income-maintenance measures, such as public assistance, to meet residual noninsurable need, but also a community-wide approach, utilizing all available resources, in dealing with the interrelated problems of everyday living that lead to dependency in a complex industrial society.

Improving Public Assistance

Despite the 1950 amendments to the Social Security Act, the goal of assuring income to meet the basic needs of individuals and families affected by common hazards is still far from complete. Old-age and survivors insurance benefits, even though increased, are not sufficient to meet the basic needs of many aged persons with little or no other income or savings, or those whose medical needs are costly. Social insurance does not yet include all employed persons or provide broad protection against the economic risks of illness or disability. Nor does it cover certain contingencies, such as the dependency of children resulting from desertion, nonsupport, or illegitimacy.

A broadened social insurance program would, in the long run, substantially reduce the number of persons dependent upon public assistance for their basic maintenance. The need for an assistance program would continue, however, even though the number of persons dependent upon it would become fewer. To make the public assistance program more effective in filling its primary objective, the Social Security Administration urges that careful consideration be given to the following additional changes.

FEDERAL AID FOR GENERAL ASSISTANCE

The new program for aid to the permanently and totally disabled, while helping some people who were formerly dependent on general assistance, does not provide a substitute for a federally aided general

assistance program. Federal grants-in-aid under the program for the disabled will not help States to finance necessary assistance to needy persons who are able-bodied and unemployed but not receiving unemployment insurance or who are suffering from a disease or loss that is not permanent or total in nature, or to handicapped persons who are temporarily unemployed. Many States, moreover, do not have the funds to provide necessary assistance to all those who need it. The Social Security Administration, therefore, continues to recommend, as it has in the past, that Federal aid be made available to States for general assistance, in order that the public assistance program under the Social Security Act be broadened to meet the minimum requirements, not otherwise met, of all needy persons.

FINANCING MEDICAL CARE

The amendments gave States more flexibility in the method of paying for medical care by extending Federal financial participation to payments made to the suppliers of such services. However, Federal matching of the total amount spent for maintenance and medical care is still limited to the existing maximum in the individual case ($50 a month in the aged, blind, or disabled programs, and, in aid to dependent children, $27 a month for the needy responsible adult and for the first dependent child and $18 for the second child and succeeding children). Expenditures made by a State in excess of those maximums must be met from State or State and local funds. As a result, States in which most assistance payments are already close to or above the matching maximums can receive very little or no additional Federal money toward meeting costs of medical care.

Assistance payments vary considerably within a State, ranging from very low supplementary payments to recipients with other income up to relatively high payments to recipients who have no other income and whose need for medical services results in payments considerably above the present matching maximums. Present provisions for Federal financial participation in assistance payments do not meet the unpredictable costs of essential medical care in individual cases. However, if Federal participation could be related to an average amount per recipient (even if this average were limited to the present maximums) rather than to the amount of the individual payment within the maximums, more Federal money could be made available to help States meet the actual costs of both maintenance and medical care. Under such an arrangement, all expenditures made by the State for both maintenance and medical care in individual cases would be included in computing the average payment per recipient,

and the Federal share would be limited to an amount not exceeding the maximum multiplied by the number of recipients. Thus, States could balance low payments made to recipients with some income against higher payments to recipients whose need for medical services is considerably above the present maximums on individual payments. If the resulting average payment per recipient were below the specified Federal maximum for the program, the Federal Government would share in the total costs; if it were above the maximum, Federal funds would be available only up to the maximum.

Another alternative would be to provide Federal participation in payments for medical care, based on an average amount per recipient up to a specified maximum, and determined separately from, and in addition to, payments for maintenance.

The Social Security Administration therefore recommends that the present individual maximums on Federal matching funds be changed to an average amount per recipient, or, alternatively, that the Federal share in payments for medical care up to a specified maximum be determined separately from, and in addition to, payments for maintenance.

EQUALIZING GRANTS

The current formula that governs Federal participation in State assistance expenditures does not permit recognition of the variation in economic resources among the States. States with low per capita income are not only limited in the tax revenue they can raise but also have a relatively high proportion of people who need public aid. A matching formula could be used that would give low-income States additional funds to operate an effective assistance program without unduly increasing the total Federal expenditure. The Social Security Administration again recommends that the formula governing the Federal share of assistance expenditures be changed so as to provide for a more equitable distribution of Federal funds, taking into account the fiscal ability of the various States and their public assistance needs.

RESIDENCE AND CITIZENSHIP REQUIREMENTS

Most States require public assistance applicants to have lived in the State for a certain length of time in order to get assistance. Some States provide public assistance only to citizens of the United States. The Social Security Act does not include, but does not prohibit States from imposing, these restrictions; it merely limits the extent to which such restrictions can be imposed.

The mobility of the American population has contributed greatly to the economic progress of the Nation and is essential in periods of extensive defense activity. State residence and citizenship require-

ments, although considerably less restrictive than in earlier years, still work hardship and prevent needy and otherwise eligible persons from obtaining public aid. Since residence requirements represent an interstate problem, funds made available through Federal grants to States should be provided to needy people otherwise eligible, even though they do not meet the qualifications of residence established by individual States. The Social Security Administration recommends that residence and citizenship requirements be prohibited in State public assistance programs approved under the Social Security Act.

SEPARATE FINANCING OF ADULT AND FAMILY WELFARE SERVICES

Family welfare services can be made available under the present law to applicants and recipients of assistance as a part of the cost of administration which the Federal Government now shares with the States. In times of crises such as the present defense emergency situation, when family life is under pressure from all sides, many individuals and families, even though not in need of financial assistance, need family welfare services, such as information, referral, homemaker service, and counsel on health and other social problems. The local public welfare departments are in a strategic position to supplement the services available from voluntary groups, where they exist, and to supply such services in localities where there are no voluntary agencies. Adult and family welfare services would help to prevent subsequent dependency and other difficulties resulting from inability to cope with personal and family welfare problems. The Social Security Administration recommends that a separate Federal grant be made available for adult and family welfare services to those who require and desire such services, regardless of their financial need.

EXPANSION OF AID TO PUERTO RICO AND THE VIRGIN ISLANDS

Federal participation in the public assistance programs in Puerto Rico and the Virgin Islands is limited to maximums on the individual payment, and a limit is also placed on the total amount of Federal funds that can be expended within a year. The maximums set are the same as those that had been established in the 1935 Social Security Act; those maximums were raised by the 1939 and subsequent amendments. The economy of Puerto Rico and the Virgin Islands presents some of the same fiscal problems experienced by low-income States when they operated under the 1935 formula. As additional eligible applicants are included in the islands' programs, the amount of payment to a recipient will have to be reduced to little more than it was before Federal aid was available. The Social Security Administration recommends that Federal financial participation in public assistance programs in Puerto Rico and the Virgin Islands be put on the same basis as that for all other jurisdictions.

Children's Bureau

A fair chance for every child was declared by the first Chief of the Children's Bureau, Julia C. Lathrop, to be the goal toward which the newly established Bureau would direct its efforts, collaborating with all concerned with the welfare of children and child life.

The mental, emotional, and spiritual development of the child, closely related to his physical vitality, is now becoming a focus of major concern. Obviously, all professions concerned with child life and child development must contribute to an integrated knowledge of ways of assuring healthy personality development. The Children's Bureau was created in the belief that what is now called an "interdisciplinary" approach to the problems of children was essential, and we are witnessing renewed appreciation of the validity and necessity of this approach.

Our Nation's Children

The decennial census of 1950 has given us a fresh base for measuring the number of children and young people. In 1950 they totaled 47 million under age 18, the largest number in our history. Since 1940 the number under 5 increased 55 percent, as compared with a 15 percent increase for the total population. From the postwar peak of 25.5 in 1947, the birth rate dropped about 9 percent to 23.5 (estimated) in 1950. The first increase in the marriage rate since 1946 occurred in 1950 after the outbreak of hostilities in Korea, and was followed by a rise in the birth rate in the first part of 1951. The urban birth rate increased at a faster pace than the rural birth rate from 1940 to 1949 with the result that the urban and rural rates were about the same in the latter year.

The Nation had 39 million families in 1950, 7 million more than in 1940. Families with 3 or more children comprised 15 percent of the 39 million and had 52 percent of the children under 18 years.

In 1949, one-half the children of the United States lived in families with incomes of less than $3,080 a year. One-fourth were in families with incomes under $2,000. The families of the 3 million children living with only 1 parent had an average income of $1,597, half the average income of the families of the 39 million children living with both parents ($3,174). The recent increases in aid to dependent children and in payments for surviving children of insured workers under the old-age and survivors insurance program, described elsewhere in this report, will be of material benefit to many of these broken families. Although incomes have risen more than

the cost of living during the past two decades, the sharp rise in prices after 1945 has meant that family income in terms of buying power has decreased in the postwar years.

About 1 million children—truly the Nation's disadvantaged children—are in families of migrant agricultural workers.

In 1950, 1 out of 5 mothers with children under 18 years of age—4.6 million mothers—worked outside the home. Of these mothers, 1.7 million had children under 6 years. About 6 million children under 18 years were in homes in which both parents worked. The mothers of one-sixth of all children living with both parents were employed; the mothers of half the children in broken families were at work.

In 1950 there were 2½ million dwelling units which had more than 1½ persons per room (a standard commonly used to measure severe overcrowding), and one-third of all dwelling units were either dilapidated or without adequate plumbing facilities. In some communities affected by defense activities, children have had to be placed in temporary foster care because parents were unable to find housing for the family at prices they could afford.

Maternal deaths were 7.2 per 10,000 live births in 1950 (provisional), a reduction of 79 percent since 1940. Despite this improvement, the mortality rate of Negro, Indian, and other nonwhite mothers (18.4) continued to be more than 3 times that of white mothers (5.5). Infant deaths per 1,000 live births dropped from 47.0 in 1940 to 29.2 (provisional) in 1950—a cut of 38 percent. Of all deaths under 1 year in 1949, more than half were due to causes peculiar to early infancy, and of these deaths approximately two-thirds were associated with premature birth.

Childhood deaths have also been reduced sharply. The 1949 rate of 9.2 deaths per 10,000 children aged 1–14 years represents a decrease of 41 percent since 1940, when the rate was 15.5.

The number of children ill with communicable diseases can be further reduced by improving and extending immunization programs. As antibiotics and sulfa drugs become more readily available for children with diseases like pneumonia and streptococcus infections, such illnesses can be shortened and the risk of secondary complications can be greatly reduced.

New drugs can control epilepsy effectively enough to enable most children suffering from this condition to lead nearly normal lives. Many children with congenital cardiac defects can now be operated upon to eliminate or reduce the resulting disability.

Dental caries can be reduced very substantially by introducing fluorides into drinking water or by applying certain fluoride solutions directly to children's teeth. Hearing deficiencies, which sometimes

account for poor school progress and inadequate speech development, have recently been studied. Though less than 1 child in 100 suffers enough hearing loss to be gravely handicapped, nearly 1 in 20 shows sufficient hearing loss to need observation and possible treatment. Recent studies of visual defects in the grade schools of St. Louis have indicated that approximately one-fourth of all school children need some correction or medical care for eye conditions.

Between 1948 and 1949, annual reports from 363 juvenile courts in 17 States showed an increase of 4 percent in juvenile delinquency cases, a reversal of the downward trend that started after World War II. Although many States have laws prohibiting jail detention of children, the 1949 reports showed that, of the children held overnight or longer in delinquency cases, 25 percent were detained in jails, usually because suitable detention facilities were lacking.

During the year, evidences of increased tension, insecurity, and uncertainty as to what the future may hold were noted among children and young people. People working with children have observed, in some areas, that school activities related to civil defense, such as bomb drills, have a disturbing effect on some children, who develop fears that parents do not know how to handle.

Widespread publicity concerning the grave problems of drug addiction in young people, particularly in certain large cities, has shocked the public into serious consideration of the ways in which this evil can be attacked.

The White House Conference

The meetings of the Midcentury Conference in December 1950 constituted one of the high points in work for children in the last 50 years. The activities of more than 100,000 citizens, working 2 years in preparation for the meetings through State and local White House Conference Committees and 464 national organizations and youth groups, contributed to making this the most significant of the White House Conferences on Children since the first one, called in 1909. Nearly 6,000 persons attended the meetings which were addressed by the President of the United States, distinguished citizen leaders, and eminent specialists in the field of child care. Through work groups and discussions, the conference arrived at some 67 major recommendations which constitute a platform for action for all concerned with the well-being of children and youth.

A citizens' committee, the National Midcentury Committee for Children and Youth, has been organized to give leadership in the follow-up program.

The Bureau at Work

Funds available to the Children's Bureau in 1951 for its activities, excluding international cooperation financed by the Department of State and the special expenses connected with the Midcentury Conference, were $1.5 million for its own activities and $30,250,000 for grants to States under the Social Security Act.

Special emphasis during the year was placed on (1) the Midcentury Conference; (2) laying the foundation, through cooperative planning with the States and with representatives of voluntary agencies, for the expanded programs made possible by increased grants authorized by the 1950 amendments to the Social Security Act; (3) improving, through Bureau-wide planning, the quality of service given by the staff; (4) assessing the impact on children and young people of mobilization and preparations for defense; and (5) extending international cooperation activities.

INCREASING KNOWLEDGE AND DISSEMINATING INFORMATION

The Bureau resources for basic research, carried on under the act of 1912, are limited, but the Bureau serves as a center of information about research under way throughout the country; participates in a few selected research undertakings of strategic importance; points up, with the aid of experts in various fields, the areas in which research is most needed; and interprets the results of research to parents and others concerned with children.

Supplements to the Bureau's bulletin, Current Research in Child Life, reported 803 new studies under way. Fully one-third of these are concerned with physical health and disease, and about one-fourth are in the field of psychology. Many of the social service studies reported are of the survey type.

The Bureau in cooperation with Fisk University launched a research project to study cultural differences in child rearing. Plans for a similar study, which will make regional comparisons possible, were initiated with the Institute of Child Welfare at the University of Minnesota. The Bureau reviewed materials on retrolental fibroplasia and accidental suffocation of infants as a basis for encouraging research in these fields. A plan to evaluate the relation of mortality of premature infants to special hospital facilities for their care was developed, and a pilot study was started with the Maryland Department of Health to test the plan.

A system for uniform tabulation of births and deaths resulting from prematurity, developed by the Public Health Conference on Records and Statistics with the aid of the Bureau and the Public Health Service, was put in operation by the State health agencies.

With the Bureau of Public Assistance and the Bureau of Labor Statistics (Department of Labor), the Bureau participated in a study of salaries, working conditions, and educational background of social work staff in all public welfare agencies. This study showed that of the Nation's estimated 75,000 social workers in 1950, 62 percent were employed by State, county, and other local governments, 35 percent by private agencies, and 3 percent by the Federal Government. Of more than 4,100 social workers employed primarily in public child welfare programs, the study showed that 20 percent had had 2 or more years of graduate study in schools of social work and another 40 percent had had some specialized training in such schools. The median salary reported for child welfare case workers was $2,712 and for supervisors, $3,595.

Almost 1.7 million copies of the 1944 edition of *Infant Care* were distributed by the Bureau or sold by the Superintendent of Documents. The corresponding figure for the Bureau's other bulletins for parents was 1,284,315. *Infant Care* was completely rewritten and submitted for review and suggestions to parents, Bureau staff, and 45 specialists representing a wide range of professions. The new edition was issued in October 1951.

COOPERATION WITH STATES

The 1950 amendments to the Social Security Act authorized $37 million for the fiscal year 1951 for grants to the States for child health and welfare programs. Because the amendments came into effect after the first quarter of the fiscal year, only $30,250,000 was appropriated: $13,200,000 for maternal and child health services; $9,975,000 for crippled children's services; and $7,075,000 for child welfare services. All States, the District of Columbia, Alaska, Hawaii, Puerto Rico, and the Virgin Islands shared in these grants. Federal participation in the program of the Arizona crippled children's agency was suspended throughout the fiscal year because of failure to reach an agreement on extending treatment services to Indian children.

Children served.—Statistics on volume of health services relate to the calendar year 1950 and reflect only slightly the expansion made possible by the Social Security Act amendments.

Services for mothers and children under the State maternal and child health programs continued their upward trend. These services are aimed primarily at providing health supervision—with a limited amount of medical and dental treatment—to expectant mothers, infants, and preschool and school children. State reports on medical services show that 171,000 mothers attended prenatal clinics, an increase of 3,000 over the 1949 total; more than 59,000 women were given postpartum medical examinations, an increase of 6 percent; and

more than 258,000 expectant mothers received nursing service, an increase of 7 percent. Infants and preschool children attending medical conferences increased 4 percent, to 723,000, but there was a decline of 3 percent, to 1,100,000, in the number receiving public health nursing service. On the other hand, nursing visits in behalf of school children increased 8 percent to a total of 2,894,000.

Preliminary estimates on crippled children served in 1950, based on reports from 46 States, showed that approximately 215,000 children received physicians' and related services during the year, or 35,000 more than were so served in 1949, an increase of 18 percent. Some two-fifths of these children were new to the program. The types of service they received include clinic service, hospital in-patient care, convalescent home care, and physicians' home and office visits. Some 40,000 children received hospital in-patient care, slightly more than in the preceding peak year of 1949. Care in hospitals was provided for 1,450,000 days, and the average length of stay per child was about 36 days. More than 5,000 children, slightly fewer than in 1949, received care in convalescent homes for an average of about 94 days each.

More than 250,000 children were receiving services from public welfare agencies under the program for child welfare services on March 31, 1951, about 3 percent more than on the same date in 1950. Most of these services are being financed by State and local funds.

For the first time the Children's Bureau received data on numbers of children receiving service from both public and private case-work agencies with specialized programs for children. In 37 jurisdictions furnishing substantially complete reports, more than 200,000 were receiving such service as of June 30, 1950, 73 percent from public and 27 percent from private agencies. Almost half of the children served by public agencies, and about a fourth of those served by private agencies, were living in the homes of parents or other relatives.

Types of service.—During the year, data on public health personnel, facilities, and services in 1949 were released by the Public Health Service, based on reports obtained jointly by that Service and the Children's Bureau. The data came from 1,242 full-time local health jurisdictions, all but a few of which were receiving State or Federal aid. The report showed that 4,223 centers were holding well-child conferences at least monthly under the direction of a physician, as compared with 3,417 in 1948. Nearly 90 percent of the centers conducting such conferences in 1949 were under the auspices of local health departments.

In all, 4,146 full-time child welfare workers were employed by public welfare agencies in June 1950, an increase of 8 percent over the previous year's total. Forty-two percent of the counties had full-time child welfare personnel serving one or more counties. The other

counties had either part-time child welfare service from general public welfare workers or no public welfare service for children.

Program developments.—The increase of 37 percent in the Federal funds for grants made it possible for the States to expand their programs into additional communities and, to some extent, into new areas of service. The extent of these advances was limited by rising costs of personal services, hospital care, and other items.

The amendments also included two new child welfare provisions. The first authorized aid for the return of children under 16 who have run away from home to another State "in cases in which such return is in the interests of the child and the cost thereof cannot otherwise be met." The second provides that in developing public child welfare services "the facilities and experience of voluntary agencies shall be utilized in accordance with child care programs and arrangements in the States and local communities as may be authorized by the State."

To develop policies for program revisions and expansion of service, the Bureau held four regional conferences in the fall of 1950 in Atlanta, New York, Chicago, and Denver with State health and crippled children's agencies and State welfare agencies. Representatives of juvenile courts, training schools for juvenile delinquents, and voluntary children's agencies also participated. At each conference, community planning and citizen responsibility for children's services were emphasized. The regional meetings were followed by a conference in Washington of representatives of national voluntary agencies concerned with providing services for children in the welfare field.

After these meetings the Bureau issued a policy manual for the use of Federal funds for child welfare services.

Several States have set up or improved special hospital centers to provide better care for premature infants and to have suitable training centers available for physicians and nurses. The use of fluorides to help prevent dental decay received great impetus in maternal and child health programs. Other programs that are expanding slowly are medical care for complicated obstetrical cases, pediatric clinics, and pediatric and obstetric consultation services. Considerable interest in school health programs is developing. Preliminary reports of a demonstration school health program in Washington County, Md., based on screening by teachers and nurses and careful diagnostic and corrective services for children found to need such service, and carried on in cooperation with medical groups and hospitals, indicate great potentialities for influencing school health practices throughout the country. A staff conference held by the Children's Bureau, the Office of Education, and the Public Health Service resulted in a statement on recommended practices and priorities for health services for children of school age.

A number of States increased appropriations for their crippled children's programs by 10 to 30 percent; others made special appropriations for such programs as cerebral palsy and for hospital or convalescent facilities for crippled children. Several States broadened their definitions of a crippled child to include children with epilepsy, and began to develop diagnostic and treatment facilities for such children. An epilepsy demonstration program in Maryland, started at the beginning of the fiscal year, made rapid progress toward becoming a State-wide service. Services for children with cerebral palsy continued a major concern of State crippled children's agencies. Some States established additional cerebral palsy centers and clinics during the year.

Practically every State has taken steps to employ more child welfare workers in rural areas. Twenty States have budgeted some Federal funds for foster family care of children for whom adequate resources could not otherwise be provided. Salary scales have been raised for child welfare staff in most States. Several States are employing more supervisory personnel to give better and more consistent help to local workers. A number of States have added special consultants on training, adoption, licensing, institutions, detention service, and day care. Four States have included group work personnel in their child welfare programs, and five have employed community organization consultants.

Training programs.—In January an advisory committee including educators and State health personnel from various professional fields related to health services for mothers and children met with the Bureau. The committee recommended that the Bureau, in considering the use of grant funds for training projects, give priority to the training of physicians in the public health aspects of maternal and child care and in the concepts of child development to prepare them for leadership as teachers and consultants. Among the training projects conducted this year with the aid of Federal funds were an institute on the public health aspects of rheumatic fever and heart disease in Connecticut, a joint training program for physicians and nurses on the care of premature infants in New York, and a cleft palate training program in Illinois. Plans for training programs in epilepsy in Illinois and Massachusetts were approved. Conferences were held with directors of courses for the graduate training of nutritionists and with staff of university schools of nursing on preparation for work in public health programs. An institute on medical-social practice was held for medical-social consultants from a number of States.

In child welfare services, many States have strengthened their on-the-job training programs. Interest in social work education has been heightened by the study made under the auspices of the National

Council of Social Work Education, which will doubtless stimulate many changes in the curriculum of schools of social work. Public child welfare agencies are increasingly offering field-work opportunities to schools of social work.

Evaluation of local programs.—A small conference was called by the Children's Bureau in December 1950 to obtain the advice of experts on the problems involved in setting up critical evaluation studies of various phases of the maternal and child health and crippled children's programs. The conference outlined program areas in these fields in which studies are especially needed.

In the social service field, both public and voluntary agencies are showing increasing interest in evaluating the effectiveness of their services and learning how well the needs of children are being met in their communities. A consultant on the Bureau staff helps States and local communities in these projects.

WHITE HOUSE CONFERENCE AND INTERDEPARTMENTAL COMMITTEE ACTIVITIES

The staff of the Children's Bureau participated in the preliminary fact-finding work of the White House Conference and, through its regional personnel, in developing associated State activities. The Bureau also helped staff the conference meetings and is assisting in the follow-up program.

The National Commission on Children and Youth, associated with the Children's Bureau since 1946, has been dissolved after 5 years of valuable leadership in planning programs for children and youth throughout the Nation. The Commission initiated the proposal for the Midcentury White House Conference. Its decision not to continue was reached because of the formation of the National Midcentury Committee for Children and Youth, which will provide leadership for the follow-up program of the conference.

The Interdepartmental Committee on Children and Youth, formed in 1948 at the request of the President, made significant progress during the year in developing closer relationships among Federal agencies, in preparing reports of value to Federal agencies and the public, and in serving as a medium for Federal cooperation in the White House Conference and its follow-up program. The Committee issued two reports, *The Needs of Children of Puerto Rico* and *Programs of the Federal Government Affecting Children and Youth.*

MOBILIZATION AND DEFENSE ACTIVITIES

The Bureau participated, along with the Administration's other program Bureaus, in responsibilities growing out of the defense effort. The Bureau evaluated the prospective need for services for mothers

and children in the Savannah River and Paducah areas; assisted in planning policies and procedures for assuring supplies and materials for children's agencies and institutions; and provided technical assistance to the Federal Civil Defense Administration in the development of its basic policies and the preparation of technical material bearing on services that will be needed for mothers and children in case of enemy attack.

In addition, groups and individuals consulted the Bureau in the course of the year about the need for special health and medical services for the wives and infants of men in the Armed Forces. During World War II the Bureau had administered a special emergency maternity and infant care program under which funds were made available to State health agencies to provide maternity care for wives and health supervision and medical care for infants of enlisted men in the Armed Forces. Exploratory consultations held during the year with persons connected with the medical profession, hospitals, and other interested groups resulted in a statement of principles to be considered in proposals that might be made for a similar maternity and infant care program.

In anticipation of efforts to recruit mothers into the labor market to help meet shortages in defense production, the Children's Bureau and the Office of Education jointly sponsored a conference on day care and extended school services. Findings of this conference, held January 16–17, have been widely used in States and local communities.

The Bureau also worked closely with voluntary agencies and organizations in their planning for services to families and children in communities affected by mobilization.

SHARING EXPERIENCE WITH OTHER COUNTRIES

The Bureau participated in international work for children through sharing in the development of United States positions on social issues to be considered by international bodies; through the service of its chief on the Executive Board of the United Nations International Children's Emergency Fund and as vice chairman of the Directing Council of the American International Institute for the Protection of Childhood; through providing information to the United Nations and its specialized agencies; through recommending professional experts to serve as members of international missions; and through distribution abroad of its publications for parents, translated into other languages by the Department of State.

Early in the year, the Bureau's program of cooperation with other countries, carried on since 1941 under the sponsorship of the Department of State, became a part of the newly authorized Point Four program for technical assistance to economically underdeveloped areas.

Bureau staff consultants served during the year in Brazil, Bolivia, Cuba, Chile, Ecuador, India, Mexico, Peru, and Portugal. Brief visits were made to Argentina, Paraguay, and Uruguay. The fields of work in these countries included maternal and child health, child welfare, medical-social work, social group work, and training for child welfare work in schools of social work. New projects were developed for cooperative service to Lebanon, Iraq, and Pakistan. An important part of this program was planning courses of study in the United States for eight specialists awarded training grants and for 110 trainees and 131 visitors from other countries.

Making Further Progress Toward Our Goals

It is more important than ever before that all children be given maximum opportunity to develop the inner resources, the knowledge, and the capacities for responsible living that will enable them to fulfill the mission of their generation. To achieve this goal requires the cooperation of parents, individual citizens, scientific and professional personnel, young people themselves, and all social institutions, with the fullest possible utilization of voluntary and official resources.

Some of the major ways in which we need to strengthen and coordinate our efforts in behalf of children and youth and push out to new frontiers follow.

FOR ALL CHILDREN

Increasing knowledge.—In bringing together much of what we know about the development of healthy personality in children, the Midcentury White House Conference revealed the great gaps in our knowledge, and the need to verify through objective research much that we now assume to be true. Some of the areas in which additional research is needed are the fetal period of growth and the role of nutrition in this period; the relative importance of early and later stages of child development; ways in which children react to differences among children within their own age groups; the interrelation of organic needs, such as feeding, and emotional development; the functioning of the family in relation to economic practices—for example, the employment of mothers; child development in different cultures; the wastage of human life from high infant and maternal mortality which continues in many localities in the United States; and methods of measuring the effectiveness of child health and welfare programs. Intensive research on the period of adolescence is particularly important. Studies should be encouraged as to ways in which the energies and capacities of youth may be used to strengthen their own sense

of personal worth and their cooperation in meeting social needs. We must explore more fully how the various professions can effectively combine their services to meet the needs of children and families.

Study is especially needed of the care of premature infants; methods of well-child supervision; screening techniques and personnel to be used for screening to determine the children in special need of health services; the effectiveness of various programs for restoring children to maximum health; and programs of day care, foster home care, and group care of adolescents. The service given by the Children's Bureau to State health and welfare agencies in methods of evaluating their programs and of conducting local studies should be expanded.

The authority of the Bureau, under its basic act, to investigate and report "upon all matters pertaining to the welfare of children and child life" does not include provision for grants to research centers under both public and private auspices and for research fellowships. The Bureau needs greater resources for research that can best be conducted on a Nation-wide basis. Private foundations and research centers should also put increasing emphasis on research in child life.

Putting present knowledge to work.—Although there is much that we do not know about child and youth development, we know far more than we put effectively to use. Improvement in the degree to which scientific developments can be made use of requires an enlarged sense of citizen responsibility, the development of more adequate means for community planning, and wider participation of citizens in the formation of policies governing administration of community services. It also requires expanded financial resources, both public and voluntary, and improved methods of administration.

Focusing community attention on children.—Only as individual citizens take responsibility for identifying local needs of children and youth and for ascertaining what is being done and what needs to be done to meet them can they come to know and understand the services available and be able to use them more fully and constructively. Community planning also helps to bring together the combined resources of the various professions and institutions dealing with children and youth. The participation of young people themselves in such planning is of great importance.

The great impetus given to State and community planning for children through the State and local committees working in connection with the Midcentury Conference should be continued and intensified during the follow-up period. The movement already de-

veloping in some States toward permanent, legally constituted commissions to plan for children promises a means of focusing public attention and the efforts of official and voluntary agencies and professional groups on service to the growing child. The National Midcentury Committee for Children and Youth should provide for an interchange of experience among the States and encourage comprehensive State and local programs.

Extending health and social services.—The 1950 amendments to the Social Security Act authorized appropriations for the fiscal year 1952 and thereafter of $41.5 million annually—$16.5 million for maternal and child health services, $15 million for crippled children's services, and $10 million for child welfare services. Appropriation of the full amounts authorized is urgent to provide needed expansion of programs and to meet rising costs of service. Continued and increased emphasis should be placed on the relationship of these programs to those conducted under voluntary auspices and on the leadership of national voluntary organizations in developing both public and private programs.

Because of the great opportunities for improving the health of school-age children through the combined efforts of the schools and the health agencies, additional Federal aid is needed to expand health programs for these children. Emphasis in school health work should be shifted from mass medical and dental examinations to more constructive methods of screening out the children who have health problems and assuring for them adequate medical diagnosis and treatment.

Expanding and improving programs for training personnel.—Professional training for all personnel who will serve children—physicians, dentists, nurses, teachers, nutritionists, psychologists, social workers, and recreation leaders—should include a common core of knowledge of the development of personality in children. Expansion of training programs in the child health field is urgent, and priority should be given to training physicians in the public health aspects of maternal and child care and in the growth and development of children. The report of the recent study of social work education should be followed up by both administrative agencies and schools of social work to improve professional education in this field.

Maintaining essential services for children.—Draft deferment and other manpower policies related to mobilization should respect the importance of reserving personnel for services that are essential to the health, welfare, and emotional stability of children and adolescents.

Increased interagency cooperation.—The work of the Interdepartmental Committee on Children and Youth should be continued with greater emphasis on the role Federal agencies can play in encouraging coordinated effort for children in States and local communities and on the development of wider citizen participation in planning such efforts.

Programs of international cooperation should be focused on the mutual benefit that can be derived from exchange of experience among countries. We have much to learn from other countries concerning ways by which children are given maximum emotional security in home life; the means of supplementing the often inadequate earnings of the family breadwinner, such as children's allowances; and methods of organizing community services.

FOR CHILDREN IN AREAS WITH PARTICULAR PROBLEMS

In rural areas with limited economic and social resources.—Special effort should be made to bring together in behalf of rural children the resources of agricultural and home economics extension services, of health, education, and welfare agencies, of rural churches, and of voluntary agencies. Work needs to be done in developing self-help projects that rural communities with relatively limited resources can undertake to meet the needs of their own children. The possibilities of rural areas combining to share professional personnel should be examined. There should be greater effort to interest workers in going to and remaining in rural areas, and methods of providing special training for workers in rural areas who may need to perform a variety of functions should be explored.

In congested and deteriorated urban areas.—Community planning for children in crowded urban areas needs to be further developed with broad citizen participation and consideration of the possibilities of neighborhood projects and coordinated neighborhood services. A careful review of present experience and the proportion of children and youth being served is greatly needed.

In areas affected by defense mobilization.—In critical defense areas, local authorities will find it necessary to expand and strengthen their services for children and youth to safeguard their health and welfare. The Federal Government should assist States and communities in planning and providing for the services that will be needed.

In areas vulnerable to attack.—Special planning is needed for the protection and care of children during the emergency period following an enemy attack and during the post-disaster period when States and communities will be responsible for helping families to meet the social problems resulting from the attack. Federal assistance has

been authorized for the temporary relief or aid of civilians injured or in want as the result of an attack. Consideration should also be given to provision for aiding States and communities in furnishing the longer-term services and support for children that may overload their present resources.

To offset the effect on children of general discussion of the possibility of atomic attack, ways should be found by which children can be prepared to meet disasters without developing acute anxieties.

FOR CHILDREN AND FAMILIES UNDER SPECIAL HANDICAPS OR TENSIONS

Families of servicemen.—If a fairly high level of mobilization for the Armed Forces is to be maintained, a program somewhat similar to the emergency maternity and infant care program for wives and infants of enlisted men, carried on by the Children's Bureau during World War II, will be needed. The statement of principles to be considered in proposals for such a program, which was developed by the Bureau in consultation with medical, hospital, and other groups, affords a basis for legislation in conformity with the lessons learned from World War II experience and developments since that time.

Families in which mothers are employed.—Planning for services for children of employed mothers should build on experience during and since World War II and develop a broader range of services than has hitherto been available. In recognition of the contributions mothers make in the home and their responsibilities for children, organized recruitment of mothers by industry should be deferred until full use has been made of all other sources of labor supply. However, the right of mothers to make their own decisions as to employment should be respected and community measures should be developed through the schools and community welfare and health agencies to provide suitable care for their children. Because of the impact of defense production on the employment of mothers, Federal aid for planning and providing day care services for their children is needed not only in areas where the defense program has greatly increased the population but also in other areas where substantial numbers of mothers are employed.

Low-income families.—The needs of children in low-income families and the possible effects of low income on personality development in children should be kept constantly in mind in the development of economic and social policies.

Broken homes.—There is need for expanding the social services of public and voluntary welfare agencies for children living in broken

homes and for relating the services more closely to those of other agencies, such as the courts that deal with nonsupport, separation, divorce, and guardianship.

Children in migrant families.—Federal agencies in cooperation with State and other agencies should take concerted action to develop effective services for the children of agricultural migrants, who are among the neediest groups in the population.

Handicapped children.—Particular attention should be given to meeting the social and emotional as well as the physical needs of handicapped children. Institutional care and community services for retarded children should receive special consideration.

Emotionally disturbed children.—Every effort should be directed toward developing more nearly adequate community services for emotionally disturbed children through the cooperation of health, child guidance, educational, and social agencies. There is need for more emphasis on providing treatment in psychiatric clinics for children, and more effective methods of selecting children who need intensive treatment, and on developing adequate resources for nonresidential treatment. Increased resources for training all personnel who deal with disturbed children are essential.

Youthful drug addicts.—The apparent increase in the number of young persons addicted to the use of narcotics calls for a comprehensive program of tight control of supplies, apprehension of traffickers, treatment and rehabilitation services to meet the medical, social, and psychological needs of young addicts, and community education.

The Gist of Things To Be Done

The realization of our goals for children requires a clear recognition of the importance of doing everything possible, primarily through the family, the school, the church, and other agencies of the community, to assure their happiness and a good start on life's journey. Children are always an emergency, and meeting their needs cannot be postponed because of the necessity for mobilizing for defense. We should be able, within the coming decade, to bring maternal and infant mortality down sharply, especially among those groups and in those areas where the rates are still very high. We should be able to develop the resources, the organization, and the trained personnel necessary to provide avenues for the application of scientific knowledge to the rearing of children in every community in the land. We should be able to expand greatly research in those aspects of child life and development concerning which additional knowledge is urgently needed. Above all, we need to recognize that the basic ingredients of the growth

of healthy personality are the faith, hope, and love of those responsible for the child's nurture within and outside the home, and their regard for each child's innate dignity and worth.

Bureau of Federal Credit Unions

Federal Credit Unions in the National Emergency

THE IMPACT of emergency measures adopted by the Federal Government during the fiscal year 1951 was not fully reflected in the operations of Federal credit unions as of June 30.

Regulation W governing consumer credit, which was reimposed by the Federal Reserve Board as of September 18, 1950, and made more stringent on October 16, affected the volume of new loans granted. Since outstanding loans were at an all-time high on the effective date of the new regulation, however, and since new Federal credit unions were established each month thereafter, the amount of outstanding loans was 20.6 percent higher on June 30, 1951, than at the end of the preceding fiscal year—$278.4 million as compared with $230.8 million.

The relative decline in the amount of loans granted by Federal credit unions between September 18, 1950, and June 30, 1951, was less than during the corresponding period in 1940–41, following the first Regulation W in September 1940. Federal credit union officials generally have not adopted loan policies more restrictive than Regulation W, as they did in 1940. Moreover, these organizations are now growing more rapidly in membership and are better known among their potential members than they were 10 years ago.

The field staff of the Bureau of Federal Credit Unions checked for compliance with Regulation W during regular examinations. Violations, if any, were reported to the Federal Reserve bank or branch having jurisdiction. This activity increased somewhat the workload of examiners and regional office personnel. Federal credit unions' compliance with the spirit and letter of Regulation W has been excellent.

As increasing numbers of men and women entered military service during the year, officials of Federal credit unions again became conscious of the Soldiers' and Sailors' Civil Relief Act of 1948, which limits interest rates and collection procedures on loans outstanding to persons in the service. Because of the favorable experience during World War II, few of the credit unions deemed it necessary to restrict unduly their loans to members of military age. Credit union leaders urged helpful, constructive loan policies. In the aggregate, the act had a negligible influence on the volume of loans granted.

Since more than 83 percent of all Federal credit unions serve employee groups, the mobilization of industry in the defense effort can greatly influence their organization, operation, and survival. As the manufacture of military equipment and supplies displaces civilian production, some companies go out of business, new plants are established, and some factories become larger; all these changes result in a migration of workers. During the year, the charters of nine Federal credit unions were canceled when liquidation caused by the closing of plants was completed. In the same period, however, more than 60 charters were granted to employee groups in industries engaged to some degree in defense production. Membership and savings increased substantially in Federal credit unions of the occupational type. In general, the defense production effort to date has not disrupted the operation of Federal credit unions as it did in 1942. The transition is being made more gradually, and civilian production has been maintained at a higher level than was possible during World War II.

In a speech to the Nation on September 9, 1950, the day after he signed the Defense Production Act of 1950, President Truman urged everyone to increase his savings out of current earnings as one means of combating inflation. Encouraging the development of habits of thrift is one of the primary purposes of Federal credit unions. Several Federal credit union leaders spoke of the President's speech as a challenge, and many credit unions increased their efforts to promote thrift. Because of their convenience, their practice of accepting savings even in very small amounts, and their self-help motivation, Federal credit unions are in a unique position to supplement effectively the other thrift agencies. They are making a contribution by encouraging people who would not otherwise do so to save.

At the end of the year, there were 5,219 Federal credit unions in operation, 4,352 among employee groups, 750 among members of churches, lodges, labor unions, farm organizations, and cooperatives, and 117 in rural and urban residential groups. They had 2.3 million members, average savings of $175 per member, and total assets of $442.3 million, of which $278.4 million was outstanding in loans to members. During the year, the number of operating units increased 444 or 9.3 percent; membership increased 308,000 or 15.4 percent; average savings per member increased from $166 to $175; and the amount outstanding in loans increased $47.6 million or 20.6 percent. The persons eligible to join these Federal credit unions increased from 4.9 million to 5.8 million during the year. The first Federal credit unions in Puerto Rico were organized in October 1950 and six were in operation there at the end of the fiscal year. Federal credit unions were also operating in Alaska, Hawaii, the Canal Zone, and the District of Columbia, as well as in every State.

Program Operations

Under the Federal Credit Union Act the Bureau is responsible for chartering, examining, and supervising Federal credit unions. On June 30, 1951, the Bureau had a staff of 153, of whom 132 were in the field service and 21 in Washington. Though the field staff is larger by 30 than it was a year earlier, it still cannot examine all Federal credit unions annually and perform essential supervisory functions. Through continuing efforts in management improvement projects, productivity of personnel is greater than ever before. Operating procedures are being streamlined without sacrificing essential quality of performance. Ideas and suggestions for management improvement are coming from employees throughout the organization. By the end of the year, however, it appeared that future efforts to simplify procedures cannot be expected to be as effective, and it will be necessary to enlarge the staff gradually to meet the expanding workload.

During the year, 551 charters were granted to groups that requested them and were found to be eligible under the terms of the Federal Credit Union Act. In 443 of these cases the initial contacts were made and assistance in preparing the charter applications was given by volunteers and by employees of State Leagues and the Credit Union National Association; employees of the Bureau carried the work in the other 108 cases. The Bureau encourages and trains volunteers to perform this organization work as a means of saving staff time. In some localities, volunteers and State League employees also have been trained to conduct organization meetings and to give initial instructions to the newly elected Federal credit union officials.

In the fiscal year, 4,101 Federal credit unions were examined. This number represented 82.3 percent of those in operation at the end of the preceding calendar year, the highest percentage attained in any year since 1947 and the largest number since the Federal Credit Union Act became law in 1934. The credit unions examined had average assets of $76,570 as compared with $47,989 in the fiscal year 1948, which ended just before the Bureau was established in the Federal Security Agency. Although Federal credit unions are larger and are more active, the average time for making an examination increased only from 3.0 to 3.026 days during this period.

During the year, 69 shortage examinations were made of Federal credit unions. This number was only 1.7 percent of all examinations made, but it required 7.9 percent of the total time devoted to examination work. Shortage examinations and the follow-up supervisory work on such cases constitute a substantial workload factor for the Bureau. Since members' savings in these federally chartered institu-

tions are not insured, annual examinations are important. Defalcations are known to have grown out of confusion in the records. This threat can be reduced by frequent and thorough examinations. In the fiscal year 1950, the 72 shortage examinations made represented 2.5 percent of the total number of examinations and required 9.1 percent of total time devoted to examination work by field examiners.

In the 1951 fiscal year, 70 final examinations were made at the completion of liquidation, two more than in the preceding year. Between the commencement and completion of a Federal credit union liquidation, field examiners may have to spend a considerable amount of time to determine that the interests of the members are protected. This work is a part of supervision.

The operations of the Bureau are financed in part by fees paid by Federal credit unions and in part by appropriation. In keeping with the objective of Congress, an increasing share of the cost of Bureau operations came from the credit unions in examination fees. During the fiscal year 1951, a total of $470,725 in fees was collected—$13,800 for chartering, $46,270 for supervision, and $410,655 for examination. The comparable figures for total fees were $187,175 for the fiscal year 1949 and $288,530 for the fiscal year 1950. The amounts collected in examination fees for these 2 years were $137,374 and $232,336, respectively.

These increases in fees are substantial. Expressed as a percentage of gross earnings of Federal credit unions, however, examination and supervision fees were less in the fiscal year 1951 (1.8 percent) than they were in 1947 (3.1 percent).

In the fiscal year 1949, $4 of each $12 of the Bureau's operating expenses came from fees paid by Federal credit unions; in the fiscal year 1951 these fees amounted to $8 of each $12 expended to maintain the Bureau.

In budget hearings for the fiscal year 1952 the Bureau was again urged by committees of both Houses of Congress to continue its efforts to become more nearly self-supporting. To achieve this aim without impairing essential services to Federal credit unions requires an increase in fees. This additional revenue might be obtained by increasing the examination fees substantially above the level in effect at the end of the 1951 fiscal year. Another possible method would be to increase the supervision fee, which is now $10 per year per Federal credit union, and to increase the per diem examination fee by a lesser amount. The Social Security Administration prefers the second method because it will result in a schedule of examination and supervision fees more closely related to ability to pay and will not injure any Federal credit union, large or small.

The Federal Security Agency has recommended to Congress that the Federal Credit Union Act be amended to provide for a supervision fee of $10 per year for each $40,000 of assets or fraction thereof, in place of the maximum per annum fee of $10 fixed by the present law regardless of size of assets. If the assets continue to increase as they have for the past 3 years, supervision fees at the proposed rate will bring in enough revenue within 6 or 7 years to cover the cost of administration and supervision. At that time it is expected that the Bureau will be on a self-sustaining basis, or nearly so.

The present law requires examination fees to be fixed by a scale established by the Director of the Bureau of Federal Credit Unions, "giving due consideration to the time and expense incident to such examinations and to the ability of Federal credit unions to pay such fees * * *." The schedule so established is composed of a per diem rate and an asset rate. At the conclusion of each examination the examiner computes the fee at the asset rate and at the day rate, and the lower of the two is the fee assessed. The day rate was increased from $47.20 to $56, effective July 2, 1951. The asset rate was retained at 50 cents per $100.

Employees and treasurers of Federal credit unions who earn $50 or more per quarter were covered by old-age and survivors insurance as of January 1, 1951. Federal credit unions welcomed this extension of the social security program.

On June 30, 1951, more than 23,000 employees of the Federal Security Agency were eligible for membership in 26 credit unions, 22 of which operate under Federal charters. The other four operate under State credit union laws in Alabama, Massachusetts, Missouri, and Washington. As of December 31, 1950, the latest date for which financial data are available, these credit unions had total assets of $1.9 million; average savings per member were $140; outstanding loans totaled $1.4 million; and membership was 12,271. During the calendar year 1950, membership increased 2,200 and assets increased $700,000. Through participation in credit unions, employees of the Federal Security Agency are providing worth-while savings and small-loan services for themselves.

Table 1.—*Social Security Administration: Funds available and obligations incurred, fiscal years 1951 and 1950*

[In thousands; data as of June 30, 1951] [1]

Item	Funds available [2]		Obligations incurred	
	1951	1950	1951	1950
Total	$1,371,641	$1,166,695	$1,293,618	$1,160,345
Grants to States	1,310,250	1,120,000	1,234,886	1,113,912
Public assistance	1,280,000	1,098,000	1,205,000	1,091,932
Old-age assistance	1,280,000	1,098,000	838,627	820,275
Aid to the blind			26,858	23,449
Aid to dependent children			319,205	248,208
Aid to the permanently and totally disabled			20,310	0
Maternal and child health and welfare services	30,250	22,000	29,886	21,980
Maternal and child health services	13,200	11,000	12,881	10,986
Services for crippled children	9,975	7,500	9,930	7,494
Child welfare services	7,075	3,500	7,075	3,500
Administrative expenses [3]	61,391	46,695	58,732	46,433
Office of the Commissioner [4]	337	329	335	328
Bureau of Old-Age and Survivors Insurance [5]	57,315	42,864	54,724	42,650
Bureau of Federal Credit Unions [6]	776	651	761	619
Children's Bureau [7]	1,500	1,482	1,480	1,473
Bureau of Public Assistance	1,463	1,369	1,432	1,363

[1] Funds available and obligations as reported by administrative agencies.

[2] Funds made available by regular and supplemental appropriations, authorizations, transfers, allotments, and recoveries.

[3] Funds made available and obligations incurred for salaries, printing and binding, communications, traveling expenses, and reimbursement items for services rendered to other Government agencies.

[4] Approximately 70 percent of the administrative expenses of the Office of the Commissioner were appropriated by Congress from general revenues; balance from old-age and survivors insurance trust fund.

[5] For administration of the old-age and survivors insurance program, which involved benefit payments of $727,266,000 in 1950 and $1,498,088,000 in 1951.

[6] Fee collections for services rendered to member credit unions represent approximately 47 percent of obligations incurred in 1950 and 69 percent in 1951.

[7] Includes expenses for investigating and reporting on matters pertaining to the welfare of children authorized by the act of 1912, as well as expenses for administration of grants to States.

Table 2.—*Financing social insurance under the Social Security Act: Contributions collected and trust fund operations, fiscal years 1949–51*

[In millions]

Item	1951	1950	1949
Contributions collected under:			
Federal Insurance Contributions Act [1]	$3,120	$2,106	$1,690
Federal Unemployment Tax Act [2]	234	226	223
State unemployment insurance laws [3] [4]	1,365	1,094	989
Old-age and survivors insurance trust fund:			
Receipts, total	3,411	2,367	1,924
Transfers and appropriations [5]	3,124	2,110	1,694
Interest and profits on investments	287	257	230
Expenditures, total	1,569	784	661
Monthly benefits and lump-sum payments [6]	1,498	727	607
Administration [7]	70	57	53
Assets, end of year	14,736	12,893	11,310
State accounts in the unemployment trust fund:			
Receipts, total	1,510	1,248	1,144
Deposits [4]	1,363	1,099	984
Interest	148	149	160
Withdrawals for benefit payments	848	1,879	1,227
Assets, end of year	7,314	6,652	7,283

[1] Contribution paid by employers and employees on wages up to and including $3,000 a year through Dec. 31, 1950, and up to and including $3,600 a year beginning Jan. 1, 1951: 1 percent each through Dec. 31, 1949, and 1½ percent each beginning Jan. 1, 1950.

[2] Tax paid only by employers of eight or more. Employers offset against this tax—up to 90 percent of the amount assessed—contributions which they have paid under State unemployment insurance laws or full amount they would have paid if they had not been allowed reduced contribution rates under State experience-rating provisions. Rate is 3 percent of first $3,000 a year of wages paid to each employee by subject employer; because of credit offset, effective rate is 0.3 percent of such wages.

[3] Contributions plus penalties and interest collected from employers and contributions from employees, reported by State agencies; corrected to August 1951.

[4] Contributions and deposits by States usually differ slightly, primarily because of time lag in making deposits.

[5] Includes amounts collected under the Federal Insurance Contributions Act and transfers from the general fund of $3,279,400 for fiscal year 1949, $3,604,000 for fiscal year 1950, and $3,694,000 for fiscal year 1951, to meet administrative and other cost of benefits payable to survivors of certain World War II veterans as defined in title II of the Social Security Act amendments of 1946; beginning May 1951, includes deposits by States under voluntary agreements for coverage of State and local employees.

[6] Represents checks issued; before July 1, 1948, represents checks cashed and returned to the Treasury.

[7] Data do not reflect actual expenses in the respective years because of bookkeeping adjustments.

Source: Compiled from *Daily Statement of the U. S. Treasury* and State agency reports.

Table 3.—*Old-age and survivors insurance: Estimated number of families and beneficiaries in receipt of benefits and average monthly benefit in current-payment status, by family group, end of June 1951 and 1950*

[In thousands, except for average benefit; data corrected to Oct. 31, 1951]

Family classification of beneficiaries in current-payment status	June 30, 1951			June 30, 1950		
	Number of families	Number of beneficiaries	Average monthly amount per family	Number of families	Number of beneficiaries	Average monthly amount per family
Total	2,866.5	4,033.6		2,051.7	2,930.4	
Retired worker families	2,090.7	2,748.2		1,384.8	1,839.2	
Worker only	1,478.8	1,478.8	$40.90	940.0	940.0	$25.50
Male	1,091.1	1,091.1	43.50	739.7	739.7	26.80
Female	387.7	387.7	33.60	200.3	200.3	20.80
Worker and wife aged 65 or over	568.5	1,137.0	70.40	418.8	837.6	41.90
Worker and wife under age 65 [1] [2]	.8	1.6	63.20			
Worker and aged dependent husband [1]	2.4	4.8	59.50			
Worker and 1 child	10.2	20.4	65.80	17.0	34.0	41.40
Worker and 2 or more children	5.6	17.8	74.80	8.7	26.7	51.40
Worker, wife aged 65 or over, and 1 or more children	.4	1.3	93.40	.3	.9	57.30
Worker, wife under age 65, and 1 or more children [1]	24.0	86.5	73.10			
Survivor families	775.8	1,285.4		666.9	1,091.2	
Aged widow	350.1	350.1	36.20	290.2	290.2	20.90
Aged dependent widower [1]	.2	.2	30.60			
Widowed mother only [2]	2.0	2.0	36.10	3.3	3.3	21.40
Widowed mother and 1 child	88.0	176.0	75.00	81.0	162.0	36.70
Widowed mother and 2 children	61.4	184.2	91.50	45.4	136.2	50.70
Widowed mother and 3 or more children	41.0	171.0	90.00	27.1	110.6	54.50
Divorced wife and 1 or more children [1]	.1	.2	84.40			
1 child only	122.3	122.3	35.10	110.8	110.8	13.50
2 children	49.9	99.8	59.80	51.2	102.4	26.80
3 children	19.5	58.5	75.60	19.5	58.6	37.70
4 or more children	25.5	104.4	83.60	25.3	103.0	50.10
1 aged dependent parent	14.7	14.7	36.70	12.0	12.0	13.80
2 aged dependent parents	1.1	2.1	72.30	1.1	2.1	26.70

[1] Effective September 1950, under the Social Security Act Amendments of 1950, benefits became payable to wives under age 65 with entitled children in their care, aged dependent husbands or widowers, and former wives divorced.

[2] Benefits of child or children were being withheld.

Table 4.—*Old-age and survivors insurance: Selected data on benefits and taxable wages, by State, for specified period, 1948–51*

[In thousands, except for average taxable wages; data corrected to Sept. 28, 1951]

State [1]	Monthly benefits in current-payment status, end of fiscal year		Payments certified, fiscal year			Workers with taxable wages, calendar year [3]	Amount of taxable wages, calendar year [4]		Employers reporting taxable wages, July–September [5]
	Number	Amount	Total	Monthly benefits	Lump-sum payments [2]		Total	Average per worker	
1948–49 [6]	2,554.2	$51,520	$626,993	$594,744	$32,249	49,018	$84,122,000	$1,716	2,699
1949–50 [6]	2,930.4	60,682	748,937	714,939	33,998	47,200	81,808,000	1,733	2,697
1950–51 [6]	4,033.6	143,709	1,610,032	1,565,772	44,259	49,200	87,600,000	1,780	2,750
Alabama	58.6	1,674	18,826	18,299	527	720	917,000	1,274	32
Alaska	1.9	67	734	715	19	60	82,000	1,367	2
Arizona	15.8	536	5,904	5,777	127	210	265,000	1,262	13
Arkansas	30.8	845	9,314	9,073	241	340	380,000	1,118	23
California	320.0	11,961	133,934	130,745	3,189	3,760	6,290,000	1,673	228
Colorado	31.6	1,082	11,983	11,719	264	410	554,000	1,351	28
Connecticut	76.3	3,082	34,946	33,980	966	820	1,534,000	1,871	41
Delaware	9.4	350	3,935	3,835	100	160	246,000	1,538	7
District of Columbia	15.2	537	6,080	5,857	223	330	539,000	1,633	16
Florida	85.9	3,000	32,472	31,763	709	850	987,000	1,161	56
Georgia	57.1	1,615	18,141	17,542	599	950	1,145,000	1,205	42
Hawaii	9.6	306	3,462	3,392	70	130	199,000	1,531	7
Idaho	12.0	376	4,112	4,016	96	180	212,000	1,178	11
Illinois	255.0	9,598	107,939	104,621	3,318	3,470	6,331,000	1,824	180
Indiana	116.8	4,072	45,545	44,337	1,208	1,410	2,405,000	1,706	69
Iowa	53.3	1,719	19,035	18,565	470	670	961,000	1,434	52
Kansas	39.6	1,251	13,872	13,511	361	510	709,000	1,390	38
Kentucky	62.2	1,882	21,057	20,534	523	680	871,000	1,281	35
Louisiana	45.8	1,383	15,517	15,051	466	750	1,044,000	1,392	36
Maine	36.2	1,244	13,890	13,549	341	310	410,000	1,323	19
Maryland	56.5	2,011	22,607	21,852	755	770	1,171,000	1,521	35
Massachusetts	193.1	7,417	83,215	81,039	2,176	1,820	3,197,000	1,757	94
Michigan	177.2	6,643	74,552	72,382	2,170	2,370	4,551,000	1,920	109
Minnesota	64.5	2,259	25,021	24,380	641	850	1,355,000	1,594	58
Mississippi	24.5	642	7,087	6,895	192	380	376,000	989	21
Missouri	99.0	3,416	38,103	37,011	1,092	1,380	2,041,000	1,479	74
Montana	12.9	440	4,868	4,731	137	180	255,000	1,417	13
Nebraska	22.2	708	7,868	7,682	186	350	460,000	1,314	26
Nevada	3.9	142	1,591	1,540	51	70	89,000	1,271	4
New Hampshire	22.2	785	8,854	8,677	177	220	288,000	1,309	12
New Jersey	164.2	6,429	72,681	70,494	2,187	1,870	3,343,000	1,788	102
New Mexico	8.5	247	2,718	2,647	71	180	182,000	1,011	11
New York	474.3	17,944	202,152	195,980	6,172	6,370	11,291,000	1,773	367
North Carolina	66.1	1,871	21,036	20,384	652	1,120	1,313,000	1,172	44
North Dakota	5.8	173	1,905	1,852	53	120	147,000	1,225	10
Ohio	256.2	9,538	106,854	104,022	2,832	3,010	5,492,000	1,825	142
Oklahoma	39.5	1,215	13,374	13,047	327	560	779,000	1,391	36
Oregon	51.2	1,840	20,468	20,010	458	500	804,000	1,608	37
Pennsylvania	364.0	13,714	154,883	150,500	4,383	3,950	6,950,000	1,759	176
Puerto Rico	.3	9	92	88	4	(7)	(7)	(7)	(7)
Rhode Island	33.3	1,264	14,303	13,932	371	320	524,000	1,638	15
South Carolina	33.6	909	10,223	9,859	364	530	666,000	1,257	24
South Dakota	7.8	241	2,658	2,584	74	130	171,000	1,315	12
Tennessee	57.4	1,669	18,580	18,056	524	850	1,125,000	1,324	40
Texas	120.3	3,691	41,111	39,824	1,287	2,350	3,202,000	1,363	139
Utah	14.3	477	5,286	5,159	127	210	290,000	1,381	11
Vermont	12.2	413	4,628	4,540	88	110	145,000	1,318	7
Virginia	63.4	1,987	22,380	21,718	662	790	1,189,000	1,505	48
Virgin Islands	(8)	1	9	9	(9)	(7)	(7)	(7)	(7)
Washington	77.4	2,895	32,126	31,466	660	750	1,279,000	1,705	47
West Virginia	60.4	2,001	22,544	22,064	480	620	1,016,000	1,639	27
Wisconsin	93.4	3,338	37,317	36,377	940	1,120	1,912,000	1,707	68
Wyoming	5.0	172	1,930	1,885	45	90	124,000	1,378	6
Foreign	15.9	628	6,309	6,205	104	(7)	(7)	(7)	(7)

[1] State distribution estimated.

[2] Excludes payments under the original 1935 act.

[3] Preliminary estimate. Totals represent number of different workers employed in covered industries at some time during 1948, 1949, and 1950, respectively. State data represent workers employed in the State at some time during 1949, workers employed in more than 1 State counted once in each of the States in which employed.

[4] Preliminary estimate. Totals are for 1948, 1949, and 1950, respectively. State data represent 1949 taxable wages distributed according to the State where wages were paid.

Continued on next page.

Table 5.—*Old-age and survivors insurance: Benefits*[1] *in current-payment status, payments certified, and workers with wage credits, fiscal years 1949–51*

[Corrected to Sept. 26, 1951]

Item	Fiscal year		
	1951	1950	1949
Benefits[1] in current-payment status (end of period):			
Number	4,033,583	2,930,357	2,554,248
Old-age	2,090,668	1,384,823	1,180,909
Wife's or husband's	596,098	419,123	359,840
Child's	787,311	665,351	614,714
Widow's or widower's	350,343	290,307	236,394
Mother's	192,357	156,664	149,724
Parent's	16,806	14,089	12,667
Total monthly amount	$143,708,778	$60,681,500	$51,520,000
Old-age	$89,000,025	$36,415,828	$30,369,096
Wife's or husband's	$13,674,014	$5,840,022	$4,898,101
Child's	$21,282,368	$8,828,736	$8,043,794
Widow's or widower's	$12,683,323	$6,079,758	$4,897,656
Mother's	$6,452,784	$3,322,210	$3,137,870
Parent's	$616,264	$194,946	$173,483
Average monthly amount:			
Old-age	$42.57	$26.30	$25.72
Wife's or husband's	$22.94	$13.93	$13.61
Child's	$27.03	$13.27	$13.09
Widow's or widower's	$36.20	$20.94	$20.72
Mother's	$33.55	$21.21	$20.96
Parent's	$36.67	$13.84	$13.70
Payments certified during period:			
Monthly benefits	$1,565,772,281	$714,939,181	$594,744,288
Old-age	$962,314,392	$427,112,452	$346,376,498
Supplementary	$159,807,324	$73,746,725	$60,024,714
Survivor	$443,650,565	$214,080,004	$188,343,076
Lump-sum payments[2]	$44,259,275	$33,997,625	$32,248,926
Estimated number of living workers with wage credits (midpoint of period—Jan. 1):[3]			
Total	82,600,000	80,600,000	79,200,000
Fully insured	59,600,000	40,100,000	38,900,000
Currently but not fully insured	(4)	5,600,000	5,900,000
Uninsured	23,000,000	34,900,000	34,400,000

[1] Effective Sept. 1, 1950, under the Social Security Act Amendments of 1950: (1) husband's and widower's insurance benefits became payable; (2) the terms "primary insurance benefit" and "widow's current insurance benefit" were changed to "old-age insurance benefit" and "mother's insurance benefit," respectively.

[2] Excludes payments under the original 1935 Act.

[3] Not adjusted to reflect changes in insured status arising from (1) combined earnings under coordinated survivor provisions of the old-age and survivors insurance and railroad retirement programs, and (2) persons with military service in World War II.

[4] Not possible under the 1950 amendments until July 1, 1954.

Footnotes to Table 4—Continued

[5] Employer returns for July-September 1948, 1949, and 1950, respectively. State data represent number of employers reporting taxable wages for July-September 1950 by the State of their reporting headquarters. An employer is a legal entity such as a corporation, partnership, or single ownership, for which a single tax return is filed.

[6] See column heads for period to which data relate.

[7] Employment not covered prior to 1951.

[8] Less than 50.

[9] Less than $500.

Table 6.—*Special types of public assistance under plans approved by the Social Security Administration: Number of recipients and average payment, June 1951, and total payments to recipients, by program and State, fiscal year 1951*

[Corrected to Sept. 15, 1951]

State	Old-age assistance			Aid to dependent children						Aid to the blind			Aid to the permanently and totally disabled [1]		
	Number of recipients, June	Payments to recipients		Number of recipients, June			Payments to recipients			Number of recipients, June	Payments to recipients		Number of recipients, June	Payments to recipients	
		Average payment, June	Total,[2] fiscal year (in thousands)	Families	Total [3]	Children	Average payment per family, June	Average payment per recipient, June	Total,[2] fiscal year (in thousands)		Average payment, June	Total,[2] fiscal year (in thousands)		Average payment, June	Total,[2] fiscal year (in thousands)
Fiscal year:															
1949	2,625,594	$43.59	$1,259,381	536,714	----------	1,365,715	$72.71	----------	$414,138	71,196	$46.50	$36,451	----------	----------	----------
1950	2,790,068	43.85	1,437,982	654,180	----------	1,659,665	70.37	----------	520,312	77,171	47.52	42,240	----------	----------	----------
1951	2,745,285	43.23	1,472,617	632,622	2,171,332	1,617,826	73.32	$21.36	567,602	94,220	46.96	52,956	104,198	$44.87	$32,504
Alabama	80,723	21.21	19,894	18,659	64,565	51,594	35.24	10.19	7,156	1,563	22.67	409	8,488	21.71	1,548
Alaska	1,601	57.16	1,100	654	2,172	1,573	74.51	22.43	510	(4)	(4)	(4)	----------	----------	----------
Arizona	14,126	50.54	8,759	4,055	15,258	11,417	75.75	20.13	4,238	833	56.69	616	----------	----------	----------
Arkansas	63,326	20.90	20,053	15,517	54,684	41,719	35.29	10.01	8,392	1,949	25.85	712	----------	----------	----------
California	274,490	67.02	222,470	57,219	175,971	131,349	111.01	36.10	72,022	11,201	81.82	10,694	----------	----------	----------
Colorado	52,099	76.41	45,256	5,450	19,997	15,048	91.23	24.87	5,777	355	59.18	257	2,153	46.89	227
Connecticut	19,875	60.58	16,611	5,535	18,059	13,000	107.59	32.98	8,031	302	65.78	255	----------	----------	----------
Delaware	1,582	28.85	563	711	2,728	2,082	71.50	18.64	604	202	44.56	105	100	39.04	21
District of Columbia	2,840	47.59	1,454	2,118	8,484	6,518	96.75	24.15	2,158	261	51.94	143	890	53.94	276
Florida	69,323	38.78	31,547	28,876	94,686	70,958	50.06	15.27	16,604	3,322	42.63	1,656	----------	----------	----------
Georgia	101,684	24.17	29,150	19,373	63,580	49,113	46.24	14.09	9,755	2,868	28.99	959	----------	----------	----------
Hawaii	2,316	33.73	942	3,370	12,654	9,797	88.99	23.70	3,904	115	38.27	50	785	45.61	155
Idaho	11,025	46.38	6,162	2,371	8,102	5,931	103.65	30.33	2,961	207	53.36	129	627	48.46	149
Illinois	115,701	44.42	66,743	23,107	81,294	60,089	98.40	27.97	27,213	4,168	48.38	2,520	1,348	42.94	231
Indiana	48,727	35.37	25,211	10,067	33,162	24,448	65.64	19.93	9,407	1,812	38.67	975	----------	----------	----------
Iowa	48,862	49.86	29,023	5,242	18,289	13,587	97.31	27.89	5,418	1,263	58.10	893	----------	----------	----------
Kansas	38,405	49.13	23,111	4,797	16,834	12,653	81.61	23.26	4,757	646	50.43	408	2,552	47.15	1,016
Kentucky	67,018	20.67	16,625	23,228	81,680	59,920	42.14	11.98	10,723	2,476	31.80	692	----------	----------	----------
Louisiana	118,713	46.61	66,878	23,904	85,763	63,378	49.60	13.82	16,196	1,882	44.21	979	14,884	31.26	4,435
Maine	15,054	42.75	7,881	4,554	15,897	11,576	73.77	21.13	3,684	646	45.62	359	----------	----------	----------

Maryland	11,488	38.39	5,305	6,028	23,090	17,526	81.22	21.20	5,930	487	43.26	240	2,150	43.96	295
Massachusetts	101,572	61.78	78,047	13,275	43,749	32,064	109.26	33.15	18,029	1,571	69.38	1,229			
Michigan	95,722	47.04	54,063	25,168	81,107	57,636	92.13	28.59	27,577	1,853	52.22	1,134	712	57.55	107
Minnesota	55,016	42.55	34,480	7,880	26,610	20,151	90.52	26.81	8,820	1,148	57.25	774			
Mississippi	59,098	18.41	13,979	10,593	39,447	30,520	18.93	5.08	2,868	2,769	23.40	826	454	16.72	32
Missouri	131,748	43.25	68,927	23,833	80,705	59,196	52.05	15.37	15,652	(5)	(5)	(5)	8,016	46.53	2,379
Montana	11,713	53.61	7,470	2,444	8,473	6,228	86.22	24.87	2,373	546	58.99	372	897	58.51	299
Nebraska	22,696	46.17	13,731	3,358	10,823	8,055	86.88	26.96	3,599	736	63.07	517			
Nevada	2,769	55.04	1,738	(5)	(5)	(5)	(5)	(5)	(5)	(5)	(5)	(5)			
New Hampshire	7,194	44.32	4,584	1,606	5,425	3,945	102.06	30.21	2,212	312	49.53	215			
New Jersey	23,227	49.14	13,549	5,224	17,482	13,248	93.97	28.08	6,039	781	55.50	502			
New Mexico	10,676	38.31	4,562	5,587	19,374	14,694	59.80	17.25	3,616	523	37.17	218	1,364	41.73	248
New York	115,219	54.20	84,813	54,289	181,092	128,952	107.81	32.32	74,955	4,029	62.97	3,212	24,682	58.99	13,267
North Carolina	61,447	22.47	16,500	16,449	59,959	45,978	45.85	12.58	8,465	4,454	34.45	1,753	2,226	26.84	165
North Dakota	9,022	50.45	5,551	1,792	6,576	4,968	109.81	29.92	2,278	110	53.50	72	399	52.73	94
Ohio	119,910	44.60	68,082	14,666	53,716	40,278	76.38	20.86	12,925	3,834	45.56	2,133	2,628	42.75	491
Oklahoma	98,128	48.64	54,637	21,873	72,949	55,321	72.57	21.76	15,573	2,619	51.66	1,557			
Oregon	23,180	54.20	15,014	4,079	13,471	10,088	105.10	31.82	4,913	396	65.92	302	1,419	64.89	636
Pennsylvania	79,740	38.54	41,146	39,302	140,007	103,582	86.07	24.16	49,262	[6] 15,311	[6] 39.71	[6] 7,565	14,994	42.42	2,017
Puerto Rico [1]	17,677	7.66	1,166	11,519	36,486	27,063	8.97	2.83	834	467	7.51	34			
Rhode Island	9,738	45.37	5,509	3,316	11,109	7,982	87.29	26.06	3,750	177	54.67	119			
South Carolina	42,870	25.10	11,892	6,700	24,950	19,254	38.62	10.37	2,707	1,606	27.46	497	2,319	32.15	519
South Dakota	12,069	40.69	5,808	2,597	8,470	6,301	69.68	21.37	1,993	220	38.05	98			
Tennessee	64,852	29.34	23,969	22,902	81,501	61,165	47.44	13.33	14,047	2,747	37.59	1,222			
Texas	221,814	32.78	88,552	19,015	73,070	54,329	45.94	11.95	10,046	6,093	37.03	2,704			
Utah	9,836	49.16	5,520	3,091	10,791	8,001	105.07	30.10	3,688	214	53.62	126	1,566	54.01	735
Vermont	6,891	36.59	2,979	1,042	3,618	2,811	53.62	15.44	671	179	40.45	87	175	19.47	16
Virgin Islands [1]	627	10.83	59	179	546	494	15.41	5.05	22	50	10.48	5	24	(7)	3
Virginia	19,575	22.09	5,148	8,372	31,030	23,470	50.89	13.73	4,923	1,519	30.25	549	1,751	32.87	478
Washington	70,004	62.13	54,604	10,890	35,895	25,879	98.91	30.01	15,837	846	76.10	757	4,905	64.62	1,858
West Virginia	25,886	26.29	8,510	17,351	64,016	49,315	57.75	15.65	12,480	1,079	31.14	398	462	32.47	38
Wisconsin	52,075	43.07	30,370	8,784	29,761	21,967	105.80	31.23	11,284	1,374	49.47	860	764	63.55	601
Wyoming	4,316	55.89	2,921	611	2,175	1,615	98.55	27.69	726	99	53.30	67	464	53.13	170

[1] Program initiated in October 1950 under Public Law 734.
[2] For fiscal year 1951, expenditures include vendor payments for medical care.
[3] Beginning October 1950, includes as recipients the children and 1 parent or other adult relative in families in which the requirements of at least 1 such adult were considered in determining the amount of assistance.
[4] Alaska does not administer aid to the blind.
[5] No approved plan in operation.
[6] Approved by the Social Security Administration to receive Federal participation beginning February 1951.
[7] Average payment not computed on base of less than 50 recipients.

Table 7.—*Special types of public assistance under plans approved by the Social Security Administration: Federal grants certified and total expenditures and percent from Federal funds, by program and State, fiscal year 1951* [1]

[Amounts in thousands; data corrected to Sept. 15, 1951]

State	Federal grants certified [2]					Expenditures for assistance and administration							
						Old-age assistance		Aid to dependent children		Aid to the blind		Aid to the permanently and totally disabled [3]	
	Total	Old-age assistance	Aid to dependent children	Aid to the blind	Aid to the permanently and totally disabled [3]	Amount	Percent from Federal funds	Amount	Percent from Federal funds	Amount	Percent from Federal funds	Amount	Percent from Federal funds
Fiscal year:													
1949	$927,897	$718,012	$189,415	$20,470	----------	$1,325,920	54.8	$446,248	43.1	$39,507	51.9	----------	----------
1950	1,091,931	820,275	248,208	23,449	----------	1,510,933	54.6	559,905	44.1	45,551	51.7	----------	----------
1951	1,201,657	836,733	318,179	26,578	$20,167	1,549,485	53.7	614,218	50.7	57,044	46.2	$37,323	46.3
Alabama	23,281	15,608	5,918	319	1,436	21,272	72.8	7,787	72.4	451	70.4	1,722	71.1
Alaska	895	570	325	(4)	----------	1,160	48.9	562	56.4	(4)	(4)	----------	----------
Arizona	7,980	5,034	2,619	327	----------	8,985	54.9	4,412	57.3	641	49.7	----------	----------
Arkansas	23,136	15,302	7,302	533	----------	20,674	69.5	8,694	72.1	740	66.2	----------	----------
California	137,123	100,968	32,142	4,013	----------	232,229	42.9	79,429	38.1	11,465	34.9	----------	----------
Colorado	20,574	17,280	3,001	136	157	46,442	37.2	6,214	51.3	282	47.6	283	54.1
Connecticut	10,616	7,397	3,111	108	----------	17,348	41.8	8,377	35.9	265	40.7	----------	----------
Delaware	936	424	413	75	24	643	65.2	683	59.9	125	56.6	21	43.0
District of Columbia	2,526	924	1,359	87	156	1,618	57.4	2,348	55.8	154	56.0	296	52.8
Florida	34,302	21,044	12,166	1,092	----------	32,871	62.6	17,792	67.6	1,733	61.5	----------	----------
Georgia	29,515	21,762	7,082	671	----------	31,126	69.7	10,324	69.1	1,025	66.4	----------	----------
Hawaii	3,048	659	2,286	36	66	1,047	61.0	4,263	50.1	58	58.0	172	43.3
Idaho	5,204	3,636	1,409	69	90	6,472	55.5	3,092	43.5	136	50.4	176	53.2
Illinois	51,771	36,845	13,381	1,427	118	71,401	53.0	29,260	45.8	2,793	52.4	275	50.4
Indiana	21,943	15,107	6,204	631	----------	26,839	55.9	10,163	55.8	1,109	55.0	----------	----------
Iowa	19,394	16,117	2,835	441	----------	30,743	53.7	5,803	48.3	968	46.5	----------	----------
Kansas	17,243	13,396	2,813	229	805	24,333	53.9	5,186	53.1	441	52.5	1,224	32.9
Kentucky	21,630	12,864	8,260	506	----------	17,416	73.2	11,260	72.7	724	70.2	----------	----------
Louisiana	56,929	41,303	11,747	573	3,306	68,940	60.0	17,557	67.4	1,029	55.8	5,198	57.5
Maine	7,589	4,990	2,371	229	----------	8,228	61.0	3,854	61.2	376	60.5	----------	----------

Maryland	7,564	3,422	3,703	155	284	5,720	60.3	6,365	56.7	256	59.5	391	56.1
Massachusetts	48,052	39,176	8,340	536	----------	82,568	43.4	19,116	38.1	1,285	41.9	----------	----------
Michigan	45,715	31,407	13,453	632	223	56,560	55.8	29,039	46.1	1,181	53.7	118	48.3
Minnesota	22,281	17,492	4,399	391	----------	36,045	50.1	9,708	45.4	865	47.4	----------	----------
Mississippi	14,327	11,157	2,512	614	44	15,167	73.0	3,323	71.6	873	69.4	60	63.3
Missouri	56,623	43,446	11,509	[5]	1,668	70,754	61.0	16,797	66.5	[5]	[5]	2,680	50.5
Montana	6,161	4,264	1,373	227	297	7,843	51.9	2,546	50.7	419	48.4	365	48.2
Nebraska	9,868	7,691	1,911	267	----------	14,683	52.7	3,858	48.0	552	46.4	----------	----------
Nevada	1,037	1,037	[5]	[5]	----------	1,918	54.4	[5]	[5]	[5]	[5]	----------	----------
New Hampshire	3,453	2,414	933	106	----------	4,852	49.1	2,337	35.7	227	49.1	----------	----------
New Jersey	11,255	7,872	3,084	299	----------	15,210	52.6	6,499	44.3	560	50.3	----------	----------
New Mexico	6,043	3,084	2,616	159	184	4,892	63.0	3,976	65.7	237	64.5	311	58.6
New York	80,195	40,353	31,285	1,501	7,055	93,221	44.9	83,544	39.8	3,682	42.1	15,436	42.4
North Carolina	20,494	12,576	6,354	1,246	318	17,488	71.2	9,114	69.5	1,966	63.0	241	62.7
North Dakota	4,109	2,916	1,078	42	72	5,908	50.3	2,419	43.8	85	49.1	126	48.7
Ohio	49,692	39,512	8,476	1,344	359	71,280	55.6	14,127	58.9	2,381	57.0	576	54.7
Oklahoma	43,141	32,225	10,027	890	----------	56,730	57.6	16,402	63.8	1,624	56.0	----------	----------
Oregon	10,852	8,043	2,298	142	369	15,951	50.1	5,342	41.9	321	44.4	730	40.5
Pennsylvania	52,784	24,949	25,633	1,572	630	45,100	56.9	54,520	47.2	[6] 8,011	[6] 20.2	2,017	[7] 22.4
Puerto Rico [3]	1,419	751	607	22	40	1,399	50.0	1,014	50.0	45	50.0	----------	----------
Rhode Island	5,113	3,125	1,928	60	----------	5,813	53.1	3,936	46.5	127	47.9	----------	----------
South Carolina	11,973	8,956	2,171	368	478	12,644	69.9	3,004	71.6	546	67.1	567	64.0
South Dakota	5,012	3,669	1,275	68	----------	6,211	61.8	2,138	60.3	107	62.5	----------	----------
Tennessee	28,296	16,585	10,911	800	----------	24,910	65.9	14,887	69.5	1,259	62.8	----------	----------
Texas	70,480	59,820	8,682	1,977	----------	91,667	64.7	10,799	71.8	2,891	62.5	----------	----------
Utah	5,632	3,223	1,904	73	433	5,731	57.0	3,914	46.9	135	54.5	787	46.1
Vermont	2,502	1,933	487	56	27	3,095	63.4	709	67.3	90	62.3	19	71.1
Virgin Islands [3]	54	35	14	3	2	[8] 65	50.0	[8] 24	50.0	[8] 5	50.0	[8] 3	50.0
Virginia	8,915	4,201	3,871	404	439	5,765	70.4	5,524	67.8	614	65.0	538	57.8
Washington	33,195	26,027	6,257	301	609	56,459	44.4	16,501	37.7	780	38.4	2,105	37.7
West Virginia	15,559	6,202	8,981	281	95	8,966	67.8	12,915	67.8	418	65.3	52	61.1
Wisconsin	22,123	16,346	4,987	501	289	31,984	51.6	11,970	39.7	920	51.6	647	31.6
Wyoming	2,103	1,595	377	38	93	3,098	50.4	790	45.9	71	50.7	187	52.2

[1] For 1951 includes vendor payments for medical care.
[2] Amounts of Federal grants certified in fiscal year; differ slightly from fiscal-year expenditures from Federal funds reported by States.
[3] Program initiated in October 1950 under Public Law 734.
[4] Alaska does not administer aid to the blind.
[5] No approved plan in operation.
[6] Approved by the Social Security Administration to receive Federal participation beginning February 1951.
[7] Estimated.
[8] Expenditures for administration estimated.

Table 8.—*Maternal and child health and welfare services: Grants to States for maternal and child health services, services for crippled children, and child welfare services under the Social Security Act, by program and State, fiscal year 1951* [1]

[In thousands]

State	Maternal and child health services			Services for crippled children			Child welfare services
	Total	Fund A	Fund B	Total	Fund A	Fund B	
United States	$12,854.3	$6,574.9	$6,279.4	$9,665.8	$4,723.5	$4,942.3	$5,538.0
Alabama	490.2	142.9	347.3	324.7	107.3	217.4	191.5
Alaska	113.9	52.1	61.8	118.2	47.9	70.3	31.3
Arizona	152.9	63.0	89.9				45.9
Arkansas	296.9	112.4	184.5	307.5	85.5	222.0	174.0
California	391.8	314.2	77.6	232.9	197.4	35.5	130.6
Colorado	214.0	85.1	128.9	77.0	66.8	10.2	67.7
Connecticut	117.1	93.1	24.0	178.8	85.1	93.7	76.5
Delaware	72.6	42.2	30.4	37.6	16.2	21.4	31.6
District of Columbia	169.4	71.7	97.7	168.0	58.9	109.1	24.3
Florida	251.9	114.5	137.4	136.4	87.1	49.3	83.4
Georgia	519.3	151.0	368.3	269.8	110.2	159.6	125.2
Hawaii	137.1	64.7	72.4	158.2	57.4	100.8	39.4
Idaho	93.3	66.5	26.8	83.3	56.6	26.7	27.4
Illinois	315.8	252.6	63.2	239.7	161.8	77.9	186.9
Indiana	298.1	175.8	122.3	177.5	110.6	66.9	61.6
Iowa	128.1	85.0	43.1	190.4	89.5	100.9	82.8
Kansas	145.0	95.9	49.1	106.6	74.1	32.5	139.6
Kentucky	412.5	133.9	278.6	323.3	102.2	221.1	221.9
Louisiana	364.3	129.6	234.7	222.8	97.3	125.5	132.6
Maine	108.9	82.5	26.4	95.7	60.4	35.3	46.4
Maryland	317.1	107.7	209.4	254.9	82.3	172.6	67.0
Massachusetts	228.2	156.2	72.0	211.8	116.6	95.2	41.2
Michigan	391.3	215.8	175.5	264.3	151.2	113.1	178.2
Minnesota	231.5	131.6	99.9	190.4	95.5	94.9	95.2
Mississippi	337.9	115.5	222.4	251.4	83.5	167.9	151.9
Missouri	274.7	171.2	103.5	272.3	109.2	163.1	169.8
Montana	101.1	74.2	26.9	86.1	37.7	48.4	61.9
Nebraska	102.9	78.6	24.3	88.6	48.2	40.4	72.3
Nevada	67.0	40.1	26.9	30.8	9.1	21.7	27.3
New Hampshire	73.5	49.3	24.2	62.2	40.6	21.6	48.0
New Jersey	205.6	183.3	22.3	203.5	112.5	91.0	60.3
New Mexico	153.8	71.4	82.4	80.7	59.0	21.7	45.0
New York	433.2	381.9	51.3	305.1	251.6	53.5	163.9
North Carolina	572.5	169.5	403.0	337.7	123.6	214.1	214.7
North Dakota	93.7	66.9	26.8	79.0	57.3	21.7	45.1
Ohio	422.6	259.7	162.9	258.9	169.7	89.2	173.1
Oklahoma	179.0	111.7	67.3	235.1	89.8	145.3	156.3
Oregon	121.2	87.3	33.9	92.5	71.0	21.5	66.1
Pennsylvania	507.6	302.7	204.9	298.5	202.0	96.5	157.9
Puerto Rico	396.5	142.2	254.3	254.1	100.1	154.0	176.7
Rhode Island	94.6	65.0	29.6	108.5	44.5	64.0	33.9
South Carolina	301.3	112.4	188.9	284.3	90.7	193.6	193.8
South Dakota	58.0	34.6	23.4	82.2	57.6	24.6	73.9
Tennessee	482.0	139.3	342.7	286.9	108.2	178.7	145.4
Texas	594.1	288.4	305.7	455.2	181.4	273.8	267.9
Utah	116.2	69.9	46.3	109.9	59.6	50.3	40.8
Vermont	80.6	60.0	20.6	77.2	50.5	26.7	50.9
Virgin Islands	76.0	49.1	26.9	70.5	48.8	21.7	36.9
Virginia	370.0	161.5	208.5	257.3	106.2	151.1	146.2
Washington	204.9	110.3	94.6	160.0	84.7	75.3	56.6
West Virginia	256.0	103.0	153.0	215.3	85.0	130.3	179.6
Wisconsin	162.9	96.5	66.4	218.7	101.6	117.1	177.1
Wyoming	53.7	39.4	14.3	33.5	21.9	11.6	42.5

[1] Based on checks issued.

Table 9.—*Federal credit unions: Number of members, amount of assets, amount of shares, and amount of loans outstanding Dec. 31, 1935–50*

Year	Number of reporting credit unions [1]	Number of members	Amount of assets	Amount of shares	Amount of loans
1935	762	118,665	$2,368,521	[2] $2,224,608	$1,830,489
1936	1,725	307,651	9,142,934	[2] 8,496,526	[2] 7,330,248
1937	2,296	482,441	19,249,738	[2] 17,636,414	[2] 15,683,676
1938	2,753	631,436	29,621,501	26,869,367	23,824,703
1939	3,172	849,806	47,796,278	43,314,433	37,663,782
1940	3,739	1,126,222	72,500,539	65,780,063	55,801,026
1941	4,144	1,396,696	105,656,839	96,816,948	69,249,487
1942	4,070	1,347,519	119 232,893	109,498,801	42,886,750
1943	3,859	1,302,363	126,948,085	116,988,974	35,228,153
1944	3,795	1,303,801	144,266,156	133,586,147	34,403,467
1945	3,757	1,216,625	153,103,120	140,613,962	35,155,414
1946	3,761	1,302,132	173,166,459	159,718,040	56,800,937
1947	3,845	1,445,915	210,375,571	192,410,043	91,372,179
1948	4,058	1,628,339	258,411,736	235,008,368	137,642,327
1949	4,495	1,819,606	316,362,504	285,000,934	186,218,022
1950	4,984	2,126,823	405,834,976	361,924,778	263,735,838

[1] For 1945–50 the number of operating and reporting credit unions was the same. In other years, the number of credit unions reporting was less than the number in operation.
[2] Revised.

Table 10.—*Federal credit unions: Assets and liabilities, Dec. 31, 1950, and Dec. 31, 1949*

Assets and liabilities	Amount			Percentage distribution	
	Dec. 31, 1950	Dec. 31, 1949	Change during year	Dec. 31, 1950	Dec. 31, 1949
Number of operating Federal credit unions	4,984	4,495	489		
Total assets	$405,834,976	$316,362,504	$89,472,472	100.0	100.0
Loans to members	263,735,838	186,218,022	77,517,816	65.0	58.9
Cash	42,164,300	32,529,318	9,634,982	10.4	10.3
U. S. Government obligations	65,126,463	68,752,813	−3,626,350	16.0	21.7
Federal savings and loan shares	25,997,752	22,749,795	3,247,957	6.4	7.2
Loans to other credit unions	6,535,377	4,558,368	1,977,009	1.6	1.4
Other assets	2,275,246	1,554,188	721,058	.6	.5
Total liabilities	405,834,976	316,362,504	89,472,472	100.0	100.0
Notes payable	13,271,792	8,868,787	4,403,005	3.3	2.8
Accounts payable and other liabilities	1,000,365	765,139	235,226	.3	.3
Shares	361,924,778	285,000,934	76,923,844	89.2	90.1
Reserve for bad loans	12,356,142	9,609,775	2,746,367	3.0	3.0
Special reserve for delinquent loans	563,212	358,523	204,689	.1	.1
Undivided profits	16,718,687	11,759,346	4,959,341	4.1	3.7

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